

WEAF Advisory Group

Agenda

June 14, 2023

KEY TOPICS: Agency staffing/funding models, funding caps, Program Name

GOALS FOR MEETING OUTCOME: Finalize decisions on agency funding/staffing, review funding cap proposals, discuss Program Name ideas

Agreements from 6/14 meeting:

- Agency funding levels – 10% year 1 enrollment level, agencies receive 25% of total estimated year 1 BDR and AMP assistance. See “WA LI Program Funding v3” spreadsheet for details.
- Program name will be CARES – Cascade Arrearage Relief and Energy Savings program! Name will cover both the AMP and BDR.
- Tentative agreement on AMP cap of \$1,000 every 2 years pending arrearage data review (sent on 6/15).

1. Updated Funding Model – Chris

Tillis, Daniel

Our first topic for this week is to continue reviewing the agency funding and staffing model options. Based on our conversation last week, Chris created the updated model that we discussed and it's in the minutes as far as the approach we agreed to on general outline principles. Hopefully everyone's had a chance to review it. I'll just turn it over to Chris to give a quick overview

Mickelson, Christopher

Basically I added a new toggle for agency type; it's called percentage, which was based off the methodology that Yochi mentioned and the way the dollars are allocated between the counties is based off possible 80% AMI counts within those counties, their portion amongst all. Yochi did bring up two agencies for Yakima: North Yakima and OIC in South Yakima. We don't have a way to distinguish how many customers are North Yakima versus South Yakima, and based off that entire area, it's hard to say what funds would go to each agency, so I just did a 50/50 split. That seemed the fairest at this point in time, but we could talk more about that. This shows the dollar amounts to each of these agencies and corresponding applications we would expect to see each of these agencies signing up. We talked about if you don't meet these goals you would get some type of penalization the following year, but if you exceeded it, you would get a bonus the following year. Any questions?

Yochi Zakai

I think that we should follow up with Todd, Isidra, and Candi to see if they have a recommended way to split the Yakima County between the two agencies. I have a feeling they probably know the best way to do this. Thanks for doing it 50%. I think that's a fine placeholder, but I would like to talk to

the agencies themselves and I don't see any of them on the call now to see what they would estimate the split to be. Besides that, I'm comfortable with where we landed at the end of last week with the enrollment level for next year being estimated at 10%. If for some reason we wildly exceed that, I think we could come back to the advisory group and chat, but I think it's reasonable to do the first year based on an estimate of 10% of eligible customers and the CAA funding is essentially set at 25% of the direct funds distributed. We're providing agency fees based on this estimate and then in future years, we would provide agency fees based on 25% of the previous year's direct dollars to customers, is that right?

Mickelson, Christopher

Correct, with the caveat I mentioned, which is an adder or subtractor based off enrollment level.

Yochi Zakai

I was thinking that wouldn't be necessary if we based it off of enrollment in each county through each agency and then that would automatically incorporate it if we're using actuals.

Mickelson, Christopher

When you're saying next year, you're not talking total program cost; you're talking those individual counties? OK, that makes sense.

Yochi Zakai

I'm open to other ideas.

Mickelson, Christopher

No, I think that works.

Tillis, Daniel

I think the enrollment level that you expect each year has to come into play for sure. If we go into this first year and we're guessing 10% and we get there, that's great that we got it right, and then do we anticipate 10% next year as well? Do you expect that to grow because awareness is growing, or do we expect it to be less because maybe it was less in the first year? We can go in with some ideas of how we would base it. That may change as we learn through year one. What you and Chris have said is a good starting point of where we would start that discussion for year-two funding and then adjust from there. Is there some sort of adjustment for cost-of-living for what agencies are paying their employees? We could build that into the assistance levels, which would increase the agency portion to 25%. Any other thoughts from anyone on this funding model?

Charlee Thompson

No other thoughts for me other than that I agree. I think this looks good and I think 10% is a good starting point.

Tillis, Daniel

Thanks, Charlee. So, Charlee, Cory, Yochi, and Maria, are we going to approve this today or is this something we want to bring to the full advisory group next week? One of the main topics for that meeting is to provide updates from the last time on this program development and we could share the funding model and levels within that.

Marie Stangeland

I'm OK with that. I think that the whole advisory group should be involved.

Tillis, Daniel

Do you want to try to meet with the agencies between now and next week's meeting, ahead of time, or do we want to do it all in that advisory group meeting?

Yochi Zakai

I've had conversations with the most active agencies, and it seems like they're on board with this. I think if we present it as the recommendation of the small group that we go forward with this just like we've done with the other things. I'm comfortable moving forward with this. If anybody has any concerns, we can obviously address them, but in terms of everybody in the small group, everyone that I've spoken to is on board, so I'm ready to move forward.

Charlee Thompson

We still need to have the conversation though with NWCC and OIC for that funding level.

Mickelson, Christopher

I would just ask Yochi, would you mind circling back to those two agencies and see if they have a different way to allocate between the two?

Yochi Zakai

Yeah, I can check with them.

Tillis, Daniel

Anything else on the funding staffing model decision before we move on to our second topic?

Yochi Zakai

I guess a question would be, will this be a single payment at the beginning of the program year or quarterly or monthly payments? I don't think we had gotten that detailed.

Tillis, Daniel

I think Chris mentioned paying it up front, I haven't given it a lot of thought. Chris, do you have any immediate input on that?

Mickelson, Christopher

I would still say we would just do some type of upfront payment or maybe half upfront within the first month and half by January. My only concern for this first year, is the initial cash flow going out.

Tillis, Daniel

We could do quarterly payments to help with the cash flow. I think quarterly or twice a year would be good.

Yochi Zakai

I like the idea of providing all our half of it up front to help cover some of those process change costs that we know the agencies are going to have. Also, because we know that the process change costs are going to be incremental, if the 10% enrollment level isn't reached, we can keep this level of agency fees for the first year because there were those additional costs that we won't see in future years.

Tillis, Daniel

Chris, what do you think about half in October and the other in April, so halfway through the program?

Mickelson, Christopher

That works.

Tillis, Daniel

OK, I'm fine with that.

****Correction: we decided to pay half in October and half in January.****

Yochi Zakai

I think that's reasonable. Marie, does that sound good for the agencies?

Marie Stangeland

Yes, it does. There's definitely going to be some startup costs.

2. Program Funding Caps – Chris

Tillis, Daniel

Well, our next topic is the program caps and Yochi we got your email earlier and I think that's actually a really good request to try to have some idea of how many customers would have arrears under that cap and how many would have arrears over it. That's not data at the customer level we have readily available in a format to provide right now. Since we got your email, Teri and I've been chatting about it and trying to see if we can find any data. Chris could maybe use some of the LINA data to help with that; maybe he has a view that I didn't know he had.

Mickelson, Christopher

Using the COVID reports we file with the Commission, the average for 30/60/90 and then total, and current for 2023, here is the max that was received. The unfortunate part is this is by ZIP code, but at least it kind of gives you an idea, so based off this information, it looks like most people would fall under that \$1000 cap. I'm sure there is probably someone within these zip codes that hit that cap, but there's obviously the majority or most of these customers fall probably under that CAP. Taking the average of the 77 ZIP codes for 30 days over these five months, \$216.07 was the average for a 30-day period, \$133.36 was the max for the 60 days and so forth.

Yochi Zakai

And so you're proposing a \$1000 cap.

Mickelson, Christopher

Yes, for the AMP.

Yochi Zakai

And are you thinking that would be \$1000 of arrearages or \$1000 of benefits? The program as we have it set up right is going to provide a benefit of 100% forgiveness for each one and going down to

50% for Tier 5. If someone's in Tier 5, does that mean that their maximum arrear cap was set at \$1000? Does that mean they have \$1000 of forgiveness towards a \$2000 arrearage or \$500.00 of forgiveness towards \$1000 arrearage?

Tillis, Daniel

It I think it's \$1000 assistance toward a \$2000 arrears, so they qualify for their 50% forgiveness arrears relief percentage, and they then hit the cap because it takes them over \$1000 and so they get \$1000 to help with that \$2000 arrears balance.

Yochi Zakai

So then conversely, that customer within Tier 1 or 2 with a \$2000 arrearage would only receive a \$1000 benefit because it's the benefit amount that you're capping.

Tillis, Daniel

Right.

Mickelson, Christopher

In my mind, I look at it as if you're Tier 1, you get 100% forgiveness up to \$1000 within that term and the same would apply to Tier 5, you get 50% arrearage forgiveness and the cap up to \$1000.

Tillis, Daniel

I lean toward not capping the bill discount. If the customer qualifies at 90%, they should get that discount for the entire time they're qualified for the 24-month term or as long as they have that account active with Cascade.

Yochi Zakai

I agree with that.

Charlee Thompson

Agreed.

Mickelson, Christopher

I'll slightly disagree. I would cap it, but it'd be based off therms to still provide efficient use of service and to still keep an incentive for energy efficiency especially with decarb and all the other programs coming. I would just be concerned about not having a possible cap on that.

Yochi Zakai

But if the discounts applied to the whole bill, then you'd still have a conservation incentive. I think if the discount was only applied to a certain part of the bill, I would worry about the conservation incentive.

Mickelson, Christopher

By doing it by therms you're not capping the discount, you get a 90% or whatever the percentage was on all your usage up to a usage amount let's say 900 therms, which is 1 1/2 times our average residential usage. Anything over that 900 therms is probably inefficient. Maybe we need to get them on more energy efficiency programs; things of that nature helps bring to light those type of things. In Oregon, we've had some homes that have started to get very large usage, so it's helped us to get some of those customers energy efficiency help.

Tillis, Daniel

I totally see your point of having some way to help customers become more energy efficient. I don't know that a cap on the bill discount rate would be the right way to do that. I think having a referral process like we established in Oregon where customers over X therms, the data is provided to ETO or the agencies to facilitate energy efficiency and weatherization discussions. I think that's probably a more reasonable approach. I also worry about our ability to do it systematically. How do we pull that discount off the account once a customer reaches a certain amount of therms for the year, and then when do we put it back on? What's the process to do that?

Yochi Zakai

I like the idea of having something established for those high usage customers to get referred to weatherization and efficiency programs. I'm open to revisiting this in year two when we have some data to look at, but I would be hesitant to put a therms cap in the first year.

Tillis, Daniel

It kind of took us off the AMP topic, but for BDR, what are the thoughts on \$1000 per year AMP? I guess it'd be every two years because we've decided that customers can qualify for an AMP every two years. So, \$1000 cap on the AMP, and the customer can qualify every two years.

Yochi Zakai

I feel like I need a little bit more data in order to be able to make a final decision but if the \$1000 covers the vast majority. Let's say 90% of the residential arrearages that are out there now, I think that that sounds reasonable to me. But I would just like to check that to make sure that we're not leaving a bunch of folks behind.

Tillis, Daniel

Teri and I have been looking to see if we have any customer level data where the arrears is fairly recent, and it doesn't appear we do. We've submitted a ticket to our IT team to have that pulled and we've assigned it a high priority since we need to get this decision made before we file. If it's something we can share via email with some initial data points, we'll do that and then plan to review that. I think we could put in the update to the group next week that we're looking at a CAP and considering \$1000 to see if there's any reaction from the group, but we'll definitely be clear that's not an agreement or a final decision.

Charlee Thompson

That sounds good. Thanks for submitting the data request to your team.

Yochi Zakai

If we've got the percentage of customers with arrearages over \$1000 next week, then we might be able to make the decision at that time. But if we don't, then maybe we could spend more time on it the following week.

Tillis, Daniel

If we have the time, we can definitely spend it doing that for sure.

Corey Dahl (PCU, He/him)

Just as a quick clarification on the \$1000 every two years, if there's an instance which we hope we don't get into this sort of situation, but if there's an instance in which a customer receives relief in

year one, they don't spend it or it doesn't result in full use of the \$1000 in year two, they acquire some amount of additional arrears, can the remainder of that \$1000 be applied in year 2?

Tillis, Daniel

I think that's a great question and with the decision to only allow an AMP once every two years, it feels like the answer to that should be no.

Corey Dahl (PCU, He/him)

OK, that that makes sense.

Yochi Zakai

I assume there's always a process for requesting exceptions from the company and exceptional circumstances, but I think as a general rule, I'm comfortable with that.

Tillis, Daniel

We haven't really talked about exceptions yet, and I think as we finalize the cap discussion, we probably we should talk about a couple options for exceptions. One is do you allow customers to go over the cap in certain situations, and I think the other one is do you allow an exception to the frequency of every two years under certain circumstances? I think those two questions are good to discuss once we decide on a cap and then the process around that. Anything else on caps?

3. Program Name – Dan

Ok, last topic is the program name. I'm going to put the ideas that were in the minutes in chat, so you all have them handy. Any other ideas you want to add to the list?

Charlee Thompson

My initial thoughts are I like Cascade Utility Relief and Encouragement Program and I like ARISE - Arrears Relief and Inclusive Support for Energy. The reason I like those slightly more than the others, and I can be convinced honestly for most of them, is that I think the ones that say poverty or low income, there's sometimes a feeling associated with that for people of those communities or populations that are ashamed or embarrassed. Being a part of a program that is clearly saying poverty or low income might just have some sort of stigma with it.

Charlee Thompson

These are very creative.

Tillis, Daniel

Cory has modified his suggestion to CARES - Cascade Arrearage Relief and Energy Savings.

Charlee Thompson

I like that too.

Yochi Zakai

I like both, but CARES rises to the top for me.

Tillis, Daniel

I like CARED when Corey first put it out there and I think we all agreed that the past tense maybe

wasn't ideal because we still care every day. Energy savings is really not exactly what we probably want to say, but I mean it, the energy discount is resulting in energy savings so it's savings that you're not spending on your energy bill.

Yochi Zakai

We could say energy, discount, savings and just not put the "d" in the acronym; that way discount is in there, if we think that's an important one to have.

Charlee Thompson

A good suggestion.

Corey Dahl (PCU, He/him)

Or it could be CARBS. Everyone loves carbs. Cascade Arrearage Relief and Bill Savings. That's not a serious suggestion, just came to mind.

Tillis, Daniel

I like CARES a lot. It's good to say the Cascade CARES program.

Charlee Thompson

Marie likes CARES also.

Tillis, Daniel

I don't know that we really need the word discount in there. I think internally we'll probably still call it our Energy Discount Program just to, you know, as we talk about it with our team and have it on the account. That's probably what it'll still say, but we call it CARES from an external marketing outreach standpoint. Teri, do you see any issues with having the name CARES and then still calling it EDP or Energy Discount Program internally?

Sovak, Teri

I don't see any problems with it. I mean, if people like CARES, it might naturally be referred to as that verbally. I'm not sure why accounting wanted to still use EDP, but I don't see any issues.

Corey Dahl (PCU, He/him)

Not to negotiate in quotes against myself, but would there be any confusion with the Federal Cares Act? I don't know if that's an actual concern or not, it's just another question.

Tillis, Daniel

It didn't come to my mind really, when we were talking about it. And I think we're a few years past that now. It still gets talked about some but probably not by your everyday customer or individual. I think Avista's team who are going to handle their assistance programs is called the Cares Team or something, isn't it? If IT decides that there isn't a reason to keep it as EDP in our systems we could call it CARES for Washington and EDP for Oregon. So, do we go with Cascade Arrears Relief and Energy Savings Program – CARES?

Yochi Zakai

I assume based on the name that this is going to cover both the arrearage program and the bill discount, right?

Tillis, Daniel

Yes.

4. Topics for 6/21 Meeting – All

Ok – we've agreed that'll be the overall name for both assistance opportunities. That takes us to the end of our agenda. Before we talk about topics for next week's meeting, which I already shared a little bit on, are there any other topics you want to talk about? Chris I think we've talked about the three items that were on the list to still be resolved before we file.

Gross, Jennifer

No, nothing's jumping out for me.

Yochi Zakai

I'll just say thank you. I feel like, especially in the past two or three months, we've done really great work and have been really persistent at getting it all out. I really appreciate the company's openness to working with us and responding to everything that we put out there. Thank you so much. The next thing I would just ask is if you could share another draft of the filing. I know you shared a very initial draft early on and I realized that you'll need time to put it together, but to the extent you're able to share the draft, we'd be happy to review and provide feedback before it gets filed.

Mickelson, Christopher

Once we make changes about what's been discussed here and obviously there's still a kind of finalizing agency payment and things of that nature--once we get that done, we'll get a copy out to let people provide comments.

Tillis, Daniel

Before I get to next week's topics for the full advisory group meeting, I did want to share a quick update on the Forefront Economics low-income propensity model. Mark Thompson sent his initial presentation to us later in the day yesterday, and I reviewed it this morning and shared it with the rest of our Cascade folks who are in this meeting. We've asked Mark to schedule a time to go through the presentation with us hopefully within the next week. After we have that meeting, I think the July full Advisory Group meeting would be a good time for him to join us and present to the entire group on his findings. He seems very happy with the outcome of the model, and it feels like it does a good job of identifying likely low-income premises. He hasn't sent what the premise list count looks like or zip code level data. It was just a high-level PowerPoint readout. Does that sound like a good timeline as far as the July Full Advisory Group meeting to have Mark present during that meeting? We need to continue with our meetings until we decide to change then. Shannon, can you keep those ongoing? The next full advisory meeting would be on the 19th.

Steed, Shannon

Yes, I can add those. We initially went through the end of June. How far out do you want me to schedule the additional meetings?

Tillis, Daniel

I'd say get them scheduled for the rest of the year. If at some point we decide to change things, we can get them cancelled.

Yochi Zakai

Hopefully at some point we can switch to every other week, but we still have implementation details to work out even after the filing, happy to meet weekly if that's necessary.

Tillis, Daniel

I recommend we do until we really have every detail worked out that we can think of. I want to make sure we're well ahead of really getting everything done by end of August so that we can train in September. That would give us a full month to make sure everybody's trained and on the same page since these are significant changes. Maybe sometime in September, we can go to every couple of weeks for check-ins and by the end of the year, we can go back to once a month or something like that.

Yochi Zakai

If we have the time reserved, then maybe in September that could be used for trainings, if necessary.

Tillis, Daniel

That's a good idea. So, for next week, what we were thinking with the full advisory group are the updates since last month's update on decisions we made on the CARES program and an overall structure where we're at now, and that would include the agency funding model discussion as well as the CAPS discussion. We can get into the details on that data if we have it by then, which I hope we do. I can give the group an update on where we're at with the Forefront Economics propensity model. Any other topics that you think the full advisory groups want an update on?

Yochi Zakai

I think that should be our focus.

Tillis, Daniel

From an order standpoint, we can start with the update on the propensity model and then spend the rest of the meeting on the on the CARES program. Is everyone good with that?

Charlee Thompson

Yep, that sounds good.

Tillis, Daniel

Anything else before we wrap up today? Ok, have a great rest of your day.