



WEAF Advisory Group Meeting
July 19, 2023 2:00 – 3:30pm Pacific

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Advisory Group Member	Contact
Blue Mountain Action Council	Sylvia Schaefer
Community Action Connections	Dalia Ochoa
Community Action of Lewis, Mason, & Thurston Counties	Dale Lewis, Sandra Koch
Coastal Community Action Program	Debbie Gregg
Chelan-Douglas Community Action Council	Vern Gurnard, Kristi Hills, Alan Walker
Kitsap Community Resources	Kandi Balandran
Lower Columbia Community Action Center	Deanna Dahlberg, Kathy Bates
NW Community Action Center	Jose Alvarez, Todd Hilmes
OIC of Washington	Heidi Silva, Casandra Ochoa, Candi Jaeger
Opportunity Council	Marie Stangeland, Lorena Shah
Community Action of Skagit County	Misty Velasquez
Snohomish County Human Services Dept	Constance Hockett, Manu Morgan
WUTC Staff	Heather Moline, Andrew Roberts, Andy Sellards, Corey Cook, Jacque Hawkins-Jones
The Energy Project	Ross Quigley, Yochi Zakai
Public Counsel	Corey Dahl
NW Energy Coalition	Charlee Thompson
Department of Commerce	Michelle DeBell
Cascade Natural Gas	
Mark Chiles, VP of Regulatory Affairs & Customer Service	Lori Blattner, Dir Regulatory Affairs
Dan Tillis, Dir Customer Experience	Chris Mickelson, Mgr Regulatory Affairs
Teri Sovak, Mgr Customer Service, Credit & Collections	Noemi Ortiz, Mgr OR Conservation & Weatherization
Shannon Steed, Consumer Specialist	Jennifer Gross, Regulatory Analyst

1. Forefront Economics Propensity Analysis presentation – *Dan Tillis / Mark Thompson*

Tillis, Daniel

Just a reminder that we no longer take roll call on these meetings, please indicate in chat that you're here and which group you're representing, we would appreciate that for attendance purposes. I pasted this week's agenda into the chat, there is a slight modification to the agenda that Shannon sent out, we have a couple of updates that we want to provide you on both the filing for CARES, some changes that have occurred there as far as the original filing and then the current status of the WEAF fund for the 2022/23 program year, so you'll see that info added to the agenda, but we're going to kick it off today with Mark Thompson from Forefront Economics and hopefully you will all recall that late last year, early this year we engaged Mark to start having discussions about low income propensity models and I think

at some point we were asked if we ever use any external third party data to try to identify likely low income customers and we had not up to that point. -Mark has done several projects for us in the past and most recently the low income needs assessment that this group has seen and hopefully completely read through that informed our work for designing the CARES program and Mark had also, several years ago, done a smaller low income propensity model for us in Yakima, WA, and he recalled that when we started having the discussions and felt he could continue the work from there and build on that to create a low income propensity model for the entire Cascade serving territory in Washington. He's been working on it for several months and finished a month to six weeks ago. He reviewed it with us internally and this was our next opportunity to get in front of the full advisory group for Mark to review his findings and so he has a presentation he'll share and go through and if you have any questions, feel free to raise your hand or put them in the chat and Mark we will try to stop you if somebody raises their hand and obviously we'll save some time for questions at the end as well. So, with that, Mark, I'll turn it over to you.

Mark Thompson

Thanks, Dan. Stop me if there are questions that come up— It's good to be with you all again and like Dan said, we've completed the analysis just fairly recently and look forward to sharing them with you. There are some [contrastcontrasts](#) to how we did the Yakima study and I'll point those out along the way, some interesting differences that are real positive in terms of going forward with this type of analysis both in this study and in the future. So, a little review of the agenda, we've gone through introductions but a little about me for those of you who weren't in the January meeting, my name's Mark Thompson, I'm President of Forefront Economics, a company I started almost 30 years ago now, to do quantitative analysis for the energy industry and we really focus on what's going on behind the meter. Some of that is how are the customers using the energy, what affects customer usage, how income programs affect consumption and other areas, and energy efficiency programs demand side management planning and in general those kinds of things. So, with that, I'll just jump right in, and I look forward to a questions and discussions either as we go along or at the end either way. Here is just a little summary of objectives and approach and things that are sort of redundant from what we talked about in January I'll skip over or go over them fairly quickly to get to the meat of the results, which I know is where most people's interest is today and also to be respectful of your time, you've got quite an agenda today. It's good to remind ourselves of the objectives and overview of approach; what we're trying to do here is develop a low income or a complete residential database with data on every residential customer to help characterize low-income program participants from the rest of the population and then also use that data to model and be able to predict or score the likelihood of a residential customer having an interest in participating in a low-income program. So, the approach we use is to gather a lot of Cascade customer information records and we'll go through that information as well, and also pull in secondary data and combine the two and from that then develop statistical models, use those models then to score, which just means to develop an estimate of the probability that each individual premise level customer would participate or not participate in a in a low-income program. Data development is a big part of any kind of empirical project and this one is especially true, we collected a lot of information from Cascade around the things like typical billing information, usage and dollar billed and that sort of thing, but also low-income participation records and payment data. So, how many late payments occurred in a string of customer records and what was the average arrearage balance through time, we can put information in the model along with every other variable to help understand what's going on. We have two kinds of secondary data, one is at the household level, and that's the purchased data where we did buy data for this project and from that [datadata](#), we get information such as household income, premise size, age, and market value and that's at the household level. There are a number of issues with it, but one of the big issues is coverage and I'll get into that later. Secondary data is census at the census tract level, we have the

energy burden data and also concentration of low-income households within a census tract; what percentage of households in that census tract are low income? This is essentially the same source data that we used for the energy burden analysis that Dan mentioned during the introduction that we did for you last year and of that, the one difference is simply in the granularity of the data. Last year, we did all of our analysis at the county level in this kind of work we want to get down to as close to the premise as we can, that energy burden data is available down to the census tract level, so we acquired that data down to the census tract level and merged it in with all of this other information. We have service premise records at the service address and related information like county and of course if we know the address we know a lot of information about location, and this serves as the basic unit of analysis.

[Next](#)Next, we will talk about the Energy Bill Assistance Program history. What we see here in this table is the summary of the actual data that we had on program participation, program participation really serves to identify the dependent variable as whether or not a residence is a low-income program participant or not. Basically 01 a binary variable that says yes, this premise is a low-income program participant and no, this isn't and we're talking about Energy Bill assistance programs, the four programs for which we have history for are listed below. You can see that there's a real uptick in participation levels during the pandemic of 2021-2022 and you see that in the Big Heart grant and also to some extent you see it in the LIHEAP data as well. So, combining the CIS, Cascades Customer Information System with secondary addresses is a labor-intensive process but it begins with address standardization to improve the match results, so we process every address both from the Cascade side and in the secondary household data that we received to improve the match rates because we're matching on address and to the extent the address is in one way in one data set and then in a different way in another data set. If we standardize those two data sets, we can improve the match rate and then the census tract numbers, but through that process we also get some other information too, one of which is census tract numbers and that's very important because it allows us to tie back to different secondary data. We not only got the 2020 census tract numbers, but we also went back and got 2010 census tract numbers as well through this process and the reason that's important is because the [lead-LEAD](#) data, the low-income energy assistance data that gives us energy burden uses a 2010 census tract to identify that data, so we need that to match it back to the CIS records. We run these match routines, combine the information, and then add in the [lead-LEAD](#) data by the census tract and at the end we have a pretty rich data set of content for premises and we have the Cascade data, the household data, and the census tract, or rather the [lead-LEAD](#) data, the energy burden data all of that for a household now. Of course, the energy burden data for all households within the census tract will have that same value, but it's still pretty rich information.

For geocode and match rates, the first table shows that there was a very high level of geocoding. This is the part of the address standardization process, to say that a home was geocoded indicates that the street address was found in the geocoding record and so you've matched the record to a street address file from that street address file, then you can append the census tract. You can even put latitude, longitude data for mapping things like that, so all of that kind of information we added to the record, and you can see here very high rates, the 94% for Cascades Records, 98% for household data, those are very high geocode rates, meaning that we have really good quality street address even going into it. But maybe we improved them slightly to the match results and then on the match results, we're taking Cascade records and the household records and putting the two together and we found [104,000 Cascade](#) 104,000 Cascade premises were matched to the household data, that's 53% of the geocoding results. That's [a fair](#) a fair amount lower than I would prefer, I'd rather see in the 70-80% range and that's what I'm typically used to seeing. I started looking into the reasons why and discussions back and forth with the data vendor and found out that because of concerns about sharing privacy data, they have these business rules to prevent the mismatch of occupant and attribute data and so that prevented them from sharing some records just to prevent the disclosure of information that they're

not allowed to disclose. So, in a way, it improves the quality of what we did match because we know it's for that particular premise and household, we have a good match, but at the same time it lowers the level of availability of that information across the study as a whole. We still have over 100,000 premises with this ~~information, plenty~~ ~~information, plenty~~ of premises to do that analysis. So, comparing some of these attributes in the enhanced database, we're looking at a table for Washington, we can see the data is broken into three kinds of variables, Cascade data, secondary household data, and then front data from ~~lead~~ ~~LEAD~~, the low-income energy assistance data and you can see the two columns on the right, those are energy bill assistance participant, yes or no. Again, that's binary and to be in the yes column that premise had to have participated in one of those programs we looked at earlier over that 2018-2022 period and then if we compare those premises to no premises we can see some interesting contrast jump out here on the Cascade side, somewhat higher energy bill for the non-participant and a high consumption, much higher turnover for energy assistance program participants ~~then~~ ~~than~~ nonparticipants. These are how many times an account turns over a period of time. One of the biggest contrasts is in this next variable down, the average monthly arrearage balance, nearly ten times the balance of a participant ~~then~~ ~~than~~ a nonparticipant and all that makes sense, more late payments as well, again these are the households that are struggling with energy bills most likely and need assistance and so it stands to reason that you would see these kinds of relationships in the data and in fact we are seeing them. The secondary information is very interesting as well, it's not too surprising in terms of things like program participants have significantly less income, they live in older homes and homes that have less market value, they're smaller, probably ~~any of~~ none of that is too surprising. What might be surprising though, is that when we combine that with the therm consumption from the Cascade side is the energy intensity results we see on the ~~energy~~ ~~Energy~~ Assistance program participant side has a much higher energy intensity therms per square foot ~~then~~ ~~than~~ we see from non-participants and then on the ~~lead~~ ~~LEAD~~ data. This is all kind of in line, there aren't as extreme differences as we see in the household data, and part of this gets back to we're not dealing with household level data when we're talking about ~~LEAD~~ ~~lead~~, we're dealing with census tract ~~tk~~ data, which is averaged across many households. So, because of that, the differences between census tract ~~tk~~ ~~centrally~~ ~~essentially~~ tends to be smaller than the differences that are observed when you look at differences between households. At any rate, you do still see the differences in household income, which is lower among participants than nonparticipants, the percentage of gas heated with less than 150% of the federal poverty level is higher so higher concentration of low-income gas, heated homes you again you would probably expect that higher energy burden in total and higher electric and natural gas energy burdens as well. So, that's just some comparing and contrast that's possible from this enriched data set.

So, propensity models, I'll just introduce the propensity model from this first bullet and then skip the rest, and I've already covered this in January, but feel free to go back and read this or some examples of propensity models and use, but it's really just a model to explain or predict the probability of any particular given event or outcome. In this case, we're looking at the probability of a premise participating in a low-income energy assistance program and the explanatory variables that we try to put in the model are what we call drivers to determine the outcome in another way. In other words, that's basically what a propensity model is, and the last major bullet on this slide talking about scoring is another important concept that I want to emphasize. Scoring is once we have a model, we take that model and apply it to every premise for which we have the data for and estimate a probability across the board so essentially for all customers, we're trying to score every customer for which we have data for from the model that we estimated from a sample of data and that then gives us our prediction of the probability of low-income program participation, and we can use that to channel our marketing efforts. Another concept here is a decile and as we score all of the customer homes as to probability of participation, we have an estimated probability when we sort in order from highest probability to lowest and we take the first 10%, that's the decile one; it gives us the highest 10% of the customer base with

the highest probability of participation, decile 2 is the next 10% and so on. So, a little bit about ~~scoring,~~ ~~thescoreing, the~~ way the model is estimated, we took a sample of 5000 premises of program participants and 5000 nonparticipants so it's a balanced sample and we're looking at the 2018-22 period to define a participant, so 10,000 total records in the sample. The model that we talked about, basically the probability of participation is what we're trying to estimate, and the model is comprised of variables which are represented by the X's in this equation, so these are the driver variables things like age of home or average arrearage balance, it's things like that and the estimated model are these beta terms the B coefficients, B1, B2 etc. So, we estimated these models, and we were going for two kinds of models and going into this talking with Cascade, we were wanting to try to come up with at least a comparison that said, OK, we're going after this household data and purchasing it and it's an expensive proposition, what if we were just to use Cascade and census data, how would that compare to a model that we had available both Cascade Census and this purchased data, how would the two models compare? One objective we had was to develop two models from each of those classes and models, one with all of the variables available and one with just a variables from Cascade and census data. We really looked at dozens of combinations of variables in the analysis of the final model or the best model, and the final model was selected had to meet a couple of criteria, one, every variable to stay in the model had to be not only statistically significant, but correctly signed. For example, if you had a model that said the higher the income, the more likely the household is to participate in a low-income program, well, that's nonsense so I would throw the income variable out and go from there.

Tillis, Daniel

We have a question from Jen Rightsell from Opportunity Council. She asked, where the participants of 5000 were those premises or customers?

Mark Thompson

Those are premises. We're looking at the customer record from those customers that were in those premises, but the basic unit of analysis was a premise. That's important to keep in mind.

Yochi Zakai

So am I understanding correctly that you evaluated the inclusion of purchased household income data along with other variables when deciding what variables to use in your propensity model?

Mark Thompson

Yes, that's correct. And then we use each of these models to predict participation levels and from these results we can estimate a number of things in order to evaluate and compare different models, and so we took these two models that were sort of best in class, again the models were one with all of the variables available, both purchased data and other data, and a model that only included basically the free stuff, the Cascade variables, and the data from public sources such as census. From these two models we compared what's called the receiver operating characteristics curve, those are the ~~rock-ROC~~ curve for those that are familiar with this type of analysis, but it's basically just a way to compare how well the model predicted, and there the ~~rock-ROC~~ values run at range from .5 to 1, and the higher the better, and values that are between .8 and .9 are generally considered excellent, and you can see in the bottom table here we've got the two models. First one listed is the one that has all of the variables, including purchased data in it and the second one is the model that's only Cascade and census variable models. Now notice that the one with all of the variables in it because of the availability of secondary data, which is somewhat restricted for data privacy issues, the number of observations that we have to work with is lower, but still, that's a very huge sample. I'm not too concerned at all with the sample number, there are other issues associated with that that are more concerning, but not the sample

number itself, so there's plenty of observations. You can see nearly twice as many as our premises are available to estimate the Cascade and census variable model and then we looked at this ~~rock-ROC~~ curve compared between the two and while there is a slightly higher ~~rock-ROC~~ curve for all variables model, it's really the difference between those two values is immaterial. It's insignificant and ~~essentially~~essentially, we're saying that both of these models have excellent predictive accuracy, and neither model stands out as better than the other.

Let's talk about the contents of each model in terms of the variables. These are the X's that we looked at before, we had probability on the left and the X's on the right went, these are the X's into the model and we can see the variable name on the far left and then in the middle section we have all data sources model, the best model from that category and three columns under that the impact on the probability, that means what direction does this move when household income goes up, the probability of participation goes down so there's an inverse or a negative association between the two, that's as expected. You would expect that statistical significance is high in this case and the influence in other words, when this variable changes, how much does the probability of change the estimated probability. It's also high so we can see here then how this best all data sources model what's in it and kind of the level of how statistically significant influence each of these drivers have. It's interesting to take a look at the contents, the first three variables are from the secondary data that was purchased, we've got household income, market value of home and the age of home, and they all have high influence, and all are highly statistical significant except age, which is still pretty significant at moderately significant and then therms per square foot is derived from both the secondary data and Cascade, we wouldn't have this variable had we not purchased the data, and it's highly significant with moderate levels of influence. And then the next 3 variables, the average monthly arrearage balance and number of late payments and also the late payments during the moratorium as a separate variable just to test if there's any difference there, we see all three of those are highly statistically significant and highly influential, that's followed by account turnover, also highly significant and highly influential. The last two variables shown under the best all data sources, model energy burden and the concentration of low-income homes in the census tract are also in the model and are there because of statistical significance, and although they have a weak influence, they still have an influence that is important in the model. So that's all data sources model and then if we look at what did we come up with when we only include Cascade and census only variables in the model, how did that compare? We can see here that in terms of commonality, starting with average monthly arrearage they share the next 6 variables, so they have in common these the six variables average monthly arrearage, late payments, late payments during the moratorium, account turnover, energy burden and concentration of low income households in the census tract, all in the Cascade and census only model that we're looking at on the far right here, all of those variables are highly significant, those six I just went through. The first four of which are also highly influential and like we saw in all variables model including the secondary purchased data, these ~~lead-LEAD~~ data energy burden and the concentration of ~~low-income~~low-income homes are weekly influential but still important in the model, so I kept them there, by the way, is not uncommon. I would expect that because the predictive power of a variable is highly dependent on if you're trying to predict what a household will do if you have household data for that household, that's far more valuable typically than if you have data on the average of all their neighbors or the average of all their neighborhood, or the average of all their zip code, or the average of all their ~~accounting~~county by the time you get up to the county level, you might as well forget it, it's hardly even worth using in a model. So, what we're seeing here, we have better than county level we have census tract level data, but it's still not anywhere as useful as household specific data. Then we also have 4 variables that show up in the Cascade and census only model that did not make all data sources model and those are the annual energy bill and premise type, is this a multifamily or a manufactured home? You can see that both of those, if you're either a multifamily home or a manufactured home, then the probability of participating in a ~~low-income~~low-

income program goes up and then have there been any nonpayment disconnects and it's weakly statistically significant but still statistically significant and it seems to have a high influence on the predictive probability, so it was kept in there. This is important for comparing and contrasting the two classes of models that we looked at and for understanding what's in each, so happy to entertain any questions if you have any or we could go on and then talk about the results further.

Yochi Zakai

I'd like to just talk about that last one, the nonpayment disconnect. So, what you're saying is that there is a statistically significant correlation between customers who have been disconnected for nonpayment in the past and customers who are low income, but it's just not as high of a statistical correlation as the other variables that you've identified?

Mark Thompson

Exactly, yes.

Yochi Zakai

I don't know about the correlation, but it makes sense that a customer who has been disconnected in the past is more likely to be low income, so thank you.

Mark Thompson

I actually expected it to be significantly higher, I even expected it to come in all data sources model, so this had a weaker influence or weaker statistical correlation than I expected, but it did make this Cascade and census only model. It tells us how well a model performs at identifying highly likely prospects for participation relative to a baseline, which is basically the average level of participation across the entire customer record database, the green variable line that we're looking at is the all variables model and the blue line is the Cascade only Cascade and census only variables model and that black straight line at the bottom there is baseline at one and the baseline says this is the average level of program participation. So, when we see values of six and seven, we're saying that there are six and seven times more likely to participate in a low-income program in this first decile of customers. That's the other thing I should describe here, we're looking across the bottom here, deciles 1 through 10 and remember when I was talking about deciles, decile 1 represents 10% of the customers scored that have the highest probability of program participation that 10% are 6 to 7 times more likely based on these models to participate in a low income program than what we find in the average of the customer base. Likewise, in decile 2 we find an improvement over the black line, but not a whole lot, there is still an improvement, and then somewhere about halfway between two and three we break even so that gives us a sense of how deep we can go on our customer list before we hit diminishing returns in terms of a-recruiting people into low-income energy assistance program participation. But another important take away from here is that we're not seeing all variables model significantly outperforming the Cascade model, in fact, it's even a little lower, again, I don't think that difference is meaningful 6 or 7, both are good at ferreting out high probability participants, but neither has a significant advantage, and I think that's important finding. Well, if we take a look at these deciles more closely and we can profile a customer, in other words, what is an average customer in decile 1 look like compared to an average customer and say decile 2 or 3 and then in the lower deciles, in other words, going from left to right across this table from one on down to the last column, we have increasingly less likelihood of participating in a low income energy bill assistance program. You see household income, it goes steadily up as we move across so that makes sense, market value of home same thing, z that makes sense. I don't see many real surprises here, but there are some interesting attributes, and you can kind of take a look for yourself. The energy intensity as we saw before high

likelihood of participation, customers tend to be more energy intensive than low likelihood of program participation, so I won't go through all of these in interest of time, but that's there for your perusing. And of course, we use this to score all customers and that's exactly what we did you can use this result to identify who are your most likely prospects, what premises should you be marketing to, and of course, you're marketing to the customers that don't reside in those premises. So which customers should you be spending your efforts to recruit into an energy assistance program if you didn't want to try to recruit your entire customer base, and then you can also do things like identify neighborhoods or basically census tracts with the highest likelihood of program participation. This particular table on the right shows by census tract sorted in declining order of decile 1 and 2 premises, these are the premises most likely to participate in a ~~low income~~ low-income program and you can see this census tract 700 in Yakima County has the most decile 1 and 2 premises. Maybe we can go in there and have a neighborhood event or something and recruit, or somehow concentrate recruitment efforts into these high likely census tracts or high concentration census tracts. So, with that, I've gone through my prepared ~~exam~~ comments and happy to stick around for any discussion or questions and you might have.

Corey Dahl (PCU-he/him) ~~(Guest)~~

Based on your findings in this model, what are some of the suggested applications you'd have, and I guess kicking that over to folks from Cascade, what do you anticipate this this modeling might be used for?

Tillis, Daniel

Mark could certainly share his ideas, I think on the previous slide he had a suggestion of how you might target the top 25% of a certain group or maybe use the data to do an outreach activity in a certain neighborhood that ~~is~~ has a higher percentage of ~~low income~~ low-income premises. ~~s~~Since we've had the data, we've started working to add account information to the premises. So again, this study and the detailed data that in addition to this presentation that Mark provided us as part of the model is all premise level, so we've asked our IT team to add current accounts at those premises, aging of the past due balances, whether or not the account is in a collections or severance process, energy assistance history, ~~of~~ all of that type of data. I just wanted to share what Mark had shared in case you missed it, but our plan from a practical standpoint is to utilize that data to try to figure out better ways to reach the decile 1 and 2 customers. That's really where our focus will be because those are the deciles that are likely to be ~~low~~-income premises, as we look at the data and we sort it by highest ~~areas~~ arrears just to lowest arrearages and then maybe ~~how~~ have they received assistance or not, if the answer is no, those customers have a past due balance, but they're not engaging in ~~in~~ the energy assistance process, so how do we more effectively get the message to them that those options are available, especially as we start to roll out CARES here in about 2 months. It's interesting, while we've been talking, ~~and~~ we just got the most current update from our IT team to review, as far ~~as~~ this data we forgot to ask you to add this and I hope to have final version of that data, from there we'll start working on what our options are for creatively trying to reach those customers and improve our outreach. We can more effectively spend funds on more targeted outreach, ~~hopefully with having up~~ to those premises versus ~~near~~ the shotgun approach. I think the other practical approach could be working with the agencies to provide data for their areas and collaborate on what they can do for events in additional outreach and through their own work and partnerships with the CBO, community based organizations, and groups like that. We don't have any brilliant ideas at this moment, but that's how we're thinking of utilizing the data and I think those are all great ideas and I'll just also add that you could even use it as a mailer to send out to the highest prospect for example, mail recruitment isn't always the best approach, but that's one idea of how it could be used. Right ~~now~~ now, when we send out messages about the programs, we probably

~~should send~~ them to every customer not having previously had this data. ~~!~~In the future we can send something periodically to every customer but for those customers who are likely living in low-income premises and have a past due balance is something we should send a postcard or provide an insert for or send an email to if we have their email address on a more regular basis to try to reach them in various ways and more frequently so that hopefully they eventually ~~get recognized~~ recognize that they have help available for them. Or, is there a way for us to more effectively and more frequently partner with the agencies to say how can we reach these customers in this neighborhood because not only are they likely low-income premises but you know X number of them ~~have~~ currently have a past due balance so part of the plan as we have the final data from our IT team and we have time to spend with that data and analyze it is to bring some of that data to the group to talk about it and brainstorm ideas on different approaches.

Mark Thompson

If I could just add maybe in wrapping my comments, but I think that one of the biggest takeaways for me from the findings was just to the emphasis of just how valuable Cascade's own records are in this whole question of identifying prospects for low-income energy assistance. If you think about it, I don't think it's surprising either, the utility has so much information that is unique to their own customer base and unique to that customer's interaction with their product and services. That doesn't come from anywhere else and in many ways it's more important than other secondary data.

Jen Rightsell

I just wanted to say that when we're thinking of ways to reach populations that we haven't been able to reach for low-income households or possible low-income households, we have come across several people when they come in for assistance that they would have bills that they have not opened, so think of that if you're thinking about doing inserts. They might reach some but then again, there's going to be people who will avoid opening the bill so in their minds, if I don't see it, it's not real, so mailers may be tossed away. And then also phone calls, they think any phone calls from utilities might be a collection call, so just wanted to you to keep those thoughts in, in our minds, while we're thinking of how to do outreach.

Tillis, Daniel

Those are very valid thoughts, and you know definitely as part of the current challenge we have ~~with getting~~with getting the word out on assistance that's available and that's where we really want the partnership with this group to think creatively on how we do this. A couple of ideas, as you were talking, are can we have our service mechanics go out to some of these and just put a CARES door tag on the door, not going out for disconnect, but you have a resource today to go out and put 100 of these in this neighborhood at these addresses. And then if the call from the utility is not answered for concerns they have of talking to the utility, then maybe that list goes to the agencies, and you make those calls, or we figure out some other way to do that where hopefully the phone will get answered and the customer will get the information. I think this is a good opportunity, a good discussion.

Charlee Thompson

I'm curious whether we consider rerunning this model after the first year of the CARES program, or whatever amount of time after the CARES program has been implemented, because as we know, CARES will increase Cascade's data on low income customers and its service area, and this model is based on or partially based on existing low-income customer data, which could be made more accurate after CARES captures more folks. Not saying we should rerun it in a year, but I see the value in it so I was curious if

that hadn't come up or come across your [guysguy's](#) thoughts as well how this model can be bettered with CARES.

Tillis, Daniel

Good question. Mark has done a lot of work here and one of the great things he's done is built the model that allows Cascade to update it periodically and he's given us the instructions on how to do that, so we definitely want to do that to periodically. We will want to discuss when the right time and years is after CARES is in place.

Charlee Thompson

Awesome, thank you.

Tillis, Daniel

Any questions on anything, I will share this presentation with you. Once we decide how we're going to use it as a group, when I say we, it's the collective group here.

Yochi Zakai

Thanks again for the presentation, this learning more about and seeing this model has been a long time coming since we first had conversations about it over the heating season. I think in the fall about the potential for using it to automatically qualify customers for arrearage forgiveness. That was a discussion that we had earlier, we're much farther along in developing the CARES program now and are pretty close to implementation but I do think it might be worth considering that use case that was brought up in the fall again as well to identify areas in which to target additional community based organizations for partnerships. And then the last one would be to identify customers to automatically enroll in other low-income programs and one area where the [Eenergy Pproject](#) has been thinking it would be good to start doing that would be when the Climate Commitment Act costs start being passed back to customers, low-income customers aren't supposed to be included in that and are going to get the credits and so perhaps customers who are identified by the propensity model as low-income could get those low income CCA credits. [aA](#) lot of ideas. I know we have more items on the agenda, so we don't have to talk about all of that now, but I wanted to add those to the areas to explore for potential use of this data.

Tillis, Daniel

I think the CBO ideas, one that I mentioned [earlie, reearlier](#) we definitely want to continue to evolve that program and utilize this data to help us do that. The CCA part is a really big discussion that we definitely don't want to get into today, but it's an interesting idea that we'll add to the list. As far as proactively providing some arrearage relief that we discussed using the model for when we started these discussions on creating a model, that's actually one of the ways we're trying to evaluate the data that we have available and it's actually about one of the last changes we asked our IT team to make yesterday to the data they've added to the detailed file, is to help us identify those customers a little more effectively, especially those who are in the severance process, which means they're in the last couple of steps of potentially being disconnected. As a company, we're definitely open to looking at that. [fF](#)or the reasons I'm going to share in the next a topic we recommend waiting until we have CARES in place to do that, because we're actually forecasting that we're going to run out of [we-WEAF](#) funds at the end of July.

2. Current Program Year WEAF Fund Balance

As you all know, one of the changes we made earlier this year in our filing to modify that WEAF program, [ais](#) we typically have an initial budget, then a soft cap and then a hard cap and we changed

that with the filing earlier this year to make the budget the highest amount possible and that's a little north of \$1.5 million, so that's the budget for 2023. Congratulations, you've all done such a great job ~~getting~~ distributing WEAF ~~re~~ funds to our customers that we are forecasting that for the first time ever that WEAF funds will actually be exhausted by the end of July. And you know, there are a lot of drivers of that ~~and most~~ and most of those go back to those changes we made earlier this year, but you all have also signed up approximately 7% more customers this year than last year and distributed more funds than any year ~~we~~ we've had. Partially because we increased the max of \$625, also because we implemented the minimum pledge of \$125 and we also utilized \$73,000 of the WEAF funds to fund the CBO program for the five agencies who opted in so Misty and Jen to answer your questions or I think it was Morgan actually who asked this question, we are asking the last day for you to approve an application to be July 28th which is next Friday. So, to approve an application for WEAF and then we'll honor all pledges approved through that date and then we'll resume Cascade Ratepayer funded programs on October 1st with the CARES program. I think that's also a good time to look at if we have an arrearage relief component with CARES to also look at the data for those customers who have a past due balance to see if we wanted to do anything proactive on the arrearage relief side and we know we're going to opt in anybody who's received assistance in the last year for the bill discount rate, but do we also want to do anything proactive as Yochi was talking about for arrearage relief? Keep in mind that ~~w~~Winter ~~h~~Help is still available for crisis assistance, we have about \$40,000 in that fund available to Washington customers and a fair amount of money, but it's not a ton so we want to be careful not to exhaust it as well.

Misty Velasquez Community Action of Skagit ~~(Guest)~~

Can I just ask one more quick question on the Winter Help that's supposed to be for any ~~w~~Winter ~~h~~Help, that is considered an emergency, right?

Tillis, Daniel
Correct.

Misty Velasquez Community Action of Skagit ~~(Guest)~~

So they need to be in a disconnect status to use that fund.

Tillis, Daniel

I would recommend we continue to use it that way for emergency crisis funds.

Yochi Zakai

Thanks for bringing this to the advisory group's attention. Since Cascade already has a tariff filing before the Commission that's proposing to revise the WEAF tariff to include an end date for when new folks can sign up, I'm wondering if we could consider also using that tariff filing to increase the budget so that we have more funding available to disperse to customers rather than not serving customers with energy assistance for two months of the year.

Tillis, Daniel

Yes, we can. It's something we've talked about, and we can do and actually, Chris and Jennifer have an update from a regulatory filing standpoint to share for the CARES filing. That actually impacts the WEAF component, so I'll turn it over to either Chris or Jennifer to share that and then share how it will work if we ask to increase the WEAF funds to bridge the gap the next two months before CARES starts.

3. Company / new program design update

a. CARES program filing – Chris Mickelson

a-

Mickelson, Christopher

That would have worked until a recent proposal by staff and the interpretation of a notification, especially for WEAF and how they think we are restricting access, even though CARES is basically a much more beneficial program that is in lieu of WEAF, and it applies to the exact same customers. Staff has asked, basically so we can meet certain notifications, that the WEAF piece and the funding piece will get extended until September but the overall program, which is Rule 20, and I can't remember the other schedule number will be on the normal open meeting agenda for July, so next Thursday. If we were able to keep all of that combined, we were thinking about doing a supplement for tomorrow and changing the CAP amount up to say \$1.7-1.8M just to make sure there was enough funds to cover the next two months with this extension, we'll work with staff but there's also very limited time. We could always try to do an LSN, do a separate filing, but now it starts getting really messy.

Yochi Zakai

I know that there are lots of different procedural options out there and lots of different thoughts on what the best procedural methods are for approving the new program, I'm happy to have conversations about that, but it really seems like if we can figure out a way that we could get a filing in that would make the program available it would be really nice to do that as soon as practical so that we could raise the budget. I don't think there would be any opposition from the advisory group for making a tariff revision either associated with other revisions or independently that would raise the budget so that energy assistance could be available for some or all of the next two months.

Mickelson, Christopher

Agreed and we have staff on the line so Corey Cook or Andrew Sellers, maybe you guys could weigh in, that'd be helpful.

Sellards, Andrew (UTC)

If I'm understanding it correctly, the issue with this filing is that there's a cost increase to the customers; that component triggers a 30 day notice requirement to customers, so then that means the notification to customers wouldn't get the full 30 days, so that was the other basis for the extension for the cost components of the filing.

Mickelson, Christopher

This is specifically for the WEAF component and how it is restricting access to customers and the notification for that.

Sellards, Andrew (UTC)

That's overstated the restriction of WEAF or the ending of the WEAF program is considered restriction service, so that triggers another the same ~~30-day~~30-day time frame similar to a rate increase.

Tillis, Daniel

I think I understood this a little differently than or maybe I misunderstood what you just said a few minutes ago, but the way I understood some of our conversations yesterday was that we're splitting ending WEAF out in its own separate filing now, right?

-

Mickelson, Christopher

So staff was looking into just having to extend the effective date and what they could do procedurally

internally to handle that whether that gets put into another docket, I'm not sure we still haven't heard back.

Hawkins-Jones, Jacque (UTC)

We have reached out to our administrative law division and we're waiting to get some information back. As far as if this needs to be a separate filing, since we have pulled out some of the tariff sheets based off our discussion yesterday, I believe that's how it's going to go where the company will need to provide a revised cover sheet to kind of show which schedules are being pulled out of the filing, which ones will be proceeding on to the July 27th open meeting with the August 1st effective date and then a separate filing under a new docket number. And, we'll have a September 4th, I believe effective date. Once we get our procedural approval, will let you know as soon as possible, but that's how it's looking right now.

Yochi Zakai

Would staff be supportive if the company was able to put in a filing with less than statutory notice to raise the budget of the current program so that we could continue accepting applications and providing assistance for the next two months? Perhaps even completely separately from the company that just looks at the at the budget for the existing WEA program over the next two months.

Hawkins-Jones, Jacque (UTC)

Staff would be open to supporting that.

Sellards, Andrew (UTC)

I would agree with that as well, yes.

Cook, Corey (UTC)

Agreed yes.

Yochi Zakai

Would the company be willing to make such a filing?

Mickelson, Christopher

Yeah.

Gross, Jennifer

I guess I'm confused. If we were to do that, wouldn't that keep us from having the ~~30-day~~30-day notice requirement?

Mickelson, Christopher

We would have to ask for that within it.

Gross, Jennifer

OK.

Mickelson, Christopher

And we would ask for a 28th effective date, the day after the open meeting so there ~~is~~are continuous funds.

Yochi Zakai

That'd be great. The ~~E~~energy ~~P~~project would be happy to show up at the meeting while I'm on vacation and support it.

Mickelson, Christopher

Look forward to that, we may need that help.

Tillis, Daniel

I think the budget was ~~\$~~1.53 million, I think we've talked internally about if we go this way, we'll probably ask for somewhere around ~~\$~~1.8 million just to you know, have plenty and not have the situation where we run out in late September or something and have any problems with that, that should easily clear what we would need with some comfort built in there, Chris and Jennifer will work on that.

Yochi Zakai

Great. And just so that we're clear for the agencies who aren't used to all this regulatory speak, we have basically come to an agreement where there will be funding available for the WEA program for the remainder of the year, so thank you very much for Cascade and staff for working with us on this.

Tillis, Daniel

And I would just say, we'll give the official update after the filing and the meeting with the ~~Commission,~~ ~~but~~Commission, ~~but~~ we'll definitely let you know that it's officially approved, and you can continue after July 28. Chris, you provided the update on the change in the filing, was there anything else you wanted to add there?

Mickelson, Christopher

No, that's it.

4. Recap unresolved items from last meeting – *Dan Tillis*

- a. Exception process to the \$1000 cap
- b. Communications plan

Tillis, Daniel

The last couple items on the agenda are a pretty fast anyway, so I think we have time to cover those. The last time we met with this full group and gave you an update on the CARES program we talked about the fact that the small group was having a discussion on the \$1000 cap for the Arrearage ~~R~~relief program, as well as the provision where customer can only receive that average relief once per 24 month period and we have agreed ~~but that~~ there will be an exception process for those two limitations and so under certain circumstances, customers will be considered for an exception to go over \$1000 in a 24 month period, as well as possibly receive more than one arrearage relief pledge, during a 24 month period. So, the company has that on our implementation plan list to define exactly what that process looks like in partnership with the small group. We're still meeting weekly, and so we'll keep the larger group updated on that. And then as far as the Joint Communications plan, again the small group is working on that, that was the core focus of our meeting last week in our small group meeting and we have a document that Charlee Thompson took the lead on to create for us. The stakeholder group collaborated to edit it and send it off to Cascade, and we just sent it back late in the day yesterday with our edits, questions, and comments so we'll continue that collaboration until we have a joint communications document that will share with this group to provide feedback on as well over the next

month or so. And then the last thing I'll share is part of that, as I mentioned, the implementation plan and while we don't have official approval for the CARES program yet, our stakeholder group is all on board with the program we've designed so we feel confident we'll get that hopefully next Thursday on the Commission open meeting, as a company we put together a detailed implementation plan, everything we need to make happen between now and then and we're working on that. A lot of that will include the processes that you'll all be following, and eventually in September that will include training for you on all of those processes and changes and the details of the programs and Misty, I'll circle back to a question or request you had last week in the small group meeting. If we do get on the Commission meeting next week and we stay on the timeline of an August 1st approval date for the program, we will work to get you a postcard and a brochure type material as soon as possible for CARES sometime, hopefully in the early part of August, but we'll definitely get you that as soon as we can. I think that's all of the company updates and recap on a couple of things that we've talked about in the past or update on a couple of things we've talked about. What questions do you have on anything we've talked about or feedback or comments or any other topics as we have 5 minutes or so left here? OK, I'm not seeing any hands up or items in the chat, so I think we can go ahead and wrap up about 5 minutes early. Thanks everyone for the engagement today and the questions and the feedback and we'll send out the meeting minutes and we'll attach the presentation to it as well. Have a great rest of your day.

5. Dedicated discussion of an agreed upon topic - *TBD by 7/12 Small Group meeting*