

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UG-230470

COMPLIANCE FILING OF PUGET
SOUND ENERGY

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INTRODUCTION

1 Puget Sound Energy (PSE or the Company) respectfully submits this compliance filing to the Washington Utilities and Transportation Commission (Commission) pursuant to Order 01 (issued on August 3, 2023) in this proceeding, which requires PSE to work with its Low-Income Advisory Committee (LIAC) between August and October 2023 to either identify additional known low-income (KLI) customers, or to automatically enroll low-income

customers in a bill discount or bill assistance program, to reach a target of at least 70,000 participants by January 1, 2024.¹

- 2 PSE confirms that as of January 1, 2024, PSE had 70,641 cap and invest income-eligible flags implementing the associated credit for those natural gas and dual fuel customers. As discussed below, PSE was able to achieve this by collaborating with its LIAC, working with PSE's community action partnership (CAP) agencies and other partners, and through extensive and intensive outreach, marketing and multi-lingual campaign efforts from October through December 2023 to enroll customers into PSE's new Bill Discount Rate (BDR) program and into the cap and invest income-eligible flag. PSE also had to automatically enroll estimated low-income customers in order to reach the identified target by the compliance date.
- 3 All correspondence related to this Compliance Filing should be directed as follows:

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BACKGROUND

- 4 In 2021, the Washington State Legislature passed Senate Bill 5126, also known as the Climate Commitment Act (CCA) and also referred to as "Cap and Invest Program," codified as RCW 70A.65, to reduce greenhouse gas (GHG) emissions. The Cap and Invest Program started on

¹ Order 01, Allowing Tariff Revisions to Become Effective Subject to Conditions, at ¶ 20 (Aug. 3, 2023).

January 1, 2023.² With regards to low-income customers, the CCA law requires that natural gas utilities with revenue from the auction of no-cost allowances must use proceeds from the sale of no-cost allowances to eliminate any additional cost burden to low-income customers from the implementation of the CCA.³

- 5 On June 9, 2023, PSE filed with the Commission revisions to natural gas tariff WN U-2 proposing a new tariff schedule, Schedule 111, Greenhouse Gas Emissions Cap and Invest Adjustment (“June 2023 CCA Gas Tariff Filing”). PSE’s June 2023 CCA Gas Tariff Filing proposed recovery of partial 2023 CCA gas system allowance costs and passing back to customers of auction proceeds from the sale of no-cost allowances per the CCA. PSE incorporated feedback received from interested parties in Q1-Q2 2023 into this tariff filing.⁴ Under the proposed tariff revisions, PSE proposed to recover costs from the purchase of allowances corresponding to projected emissions from August to December 2023, and to pass back revenue from allowance auction proceeds projected to be received in calendar year 2023 proportional to the August through December timeline. PSE’s June 2023 CCA Gas Tariff Filing also included bill credits to known low-income customers⁵ that are equal to any charges under the tariff schedule, such that the net effect is these customers will experience no cost burden from the CCA. After first using the revenues from consigned allowances to mitigate

² RCW 70A.65.070.

³ RCW 70A.65.130.

⁴ To discuss the new CCA law and associated implementation issues, PSE engaged with interested parties from January 2023 through May 2023 in one-one meetings and in a series of workshops to provide education on the CCA and to obtain input on potential design considerations for CCA tariffs (charges and credits).

⁵ Identified Low-Income Customer is a Customer whose household income, as defined by the Department of Commerce or Washington State Utilities and Transportation Commission as low-income, provided that the definition may not exceed the higher of 80 percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size (consistent with RCW 19.405.020(25)); who is also 1) currently taking service under an applicable Bill Discount Rate schedule; or 2) receiving bill assistance under Schedule 129 – Low Income Program or has received bill assistance under Schedule 129 within the last 24 months.

the cost burden for all known low-income customers, the remaining revenues were allocated as non-volumetric (per customer) credits to all other eligible customers. The cap and invest income-eligible flag was developed as a 24-month rolling customer flag used in PSE's internal billing system to effectuate low-income credits. All customers who received energy assistance from PSE energy assistance programs (PSE Home Energy Lifeline Program (HELP), and/or the Federal Low Income Home Energy Assistance Program (LIHEAP), and/or the new Bill Discount Rate) in the past 24 months are tagged with the cap and invest income-eligible flag to receive credits that fully offset the CCA charge.

- 6 On August 3, 2023, the Commission issued Order 01 under Docket UG-230470 allowing PSE's June 2023 CCA Gas Tariff revisions⁶ to become effective October 1, 2023, subject to conditions. One of the conditions the Commission required in this Order was:

Third, PSE must work with its Low-Income Advisory Group between August and October 2023 to either identify additional KLI customers, or to automatically enroll low-income customers in a bill discount or bill assistance program, to reach a target of at least 70,000 participants by January 1, 2024.⁷

PSE ENGAGEMENT ON TOPIC

- 7 As mentioned in the Introduction section above, PSE engaged with its Low-Income Advisory Committee on this topic multiple times:
 - PSE discussed the Climate Commitment Act and the requirements related to low-income customers in the law and from Order 01 in this Docket UG-230470 in the

⁶ On July 31, 2023, PSE filed replacement pages for the tariff, clarifying the effective date would be October 1, which would give the Company enough time to fix its billing system in line with the Commission's Order 01.

⁷ UG-230470 Order 01, Allowing Tariff Revisions to Become Effective Subject to Conditions, at ¶ 20 (Aug. 3, 2023).

LIAC meetings on August 8th, September 18th, November 15th, and December 12th, 2023, and January 9th, 2024.

- PSE also discussed progress on enrollment of customers into PSE’s new Bill Discount Rate program (which in turn facilitated enrollment into the cap and invest income-eligible flags) in the LIAC meetings on September 18th and November 15th, 2023, and February 13th, 2024.

8 In particular, in the LIAC meeting on January 9th, 2024, PSE confirmed to the LIAC that over 70,000 known and estimated low-income customers were receiving the CCA credits which offset their CCA charges to eliminate any additional cost burden associated with CCA implementation, per Order 01.

9 PSE’s new Bill Discount Rate program played an important role in allowing PSE to identify a larger number of known low-income customers between October and December 2023. In particular, PSE’s marketing, outreach, and events teams led a series of extensive and intensive outreach, marketing, and multi-lingual campaigns to promote information about PSE’s new Bill Discount Rate Program. For more information about all the marketing, outreach, and events efforts on BDR program, please see PSE’s 2023 Biennial Energy Assistance Report, filed in Docket UE-200629 on April 4, 2024.⁸

REACHING THE TARGET

10 PSE was able to reach the target in a number of ways:

⁸ From PSE’s 2023 Biennial Energy Assistance Report, filed to Washington State Department of Commerce on April 1, 2024, and filed to the Commission in Docket UE-200269 on April 4, 2024; *see* “Outreach” tab.

- 11 First, when PSE launched the cap and invest income-eligible flag on October 1, 2023, PSE auto-enrolled known low-income customers who received assistance in the past 24 months from PSE HELP and LIHEAP programs.
- 12 Second, all gas low-income customers who signed up for PSE HELP, LIHEAP, or the Bill Discount Rate program from October 1, 2023, to December 31, 2023, were also provided the cap and invest income-eligible flag.
- 13 Third, PSE was able to sign a data-sharing agreement with Seattle Housing Authority (SHA) enabling PSE to enroll additional gas customers to PSE's Bill Discount Rate program and PSE's cap and invest income-eligible flags. PSE enrolled these customers manually into the appropriate BDR tiers using the information provided by SHA, and PSE sent communication to invite these customers to sign up for PSE's other energy assistance programs.
- 14 Fourth and finally, PSE used third-party data to add customers to the CCA cap and invest income-eligible flag, beginning with the lowest-income customers, to get to the 70,000 customer target by January 1, 2024. For these customers, because income was not verified by the customer or other sources of information, PSE enrolled these customers into the sixth tier of BDR (receiving a 5% discount) for a temporary period of 6 months. These customers will receive targeted communications inviting and encouraging them to complete the self-attestation applications to potentially be placed on a higher discount tier in the Bill Discount Rate program for the full 13-month period of the BDR program, and potentially to be enrolled into PSE's other energy assistance programs for which they may be eligible.

DATED this 25th day of April, 2024.

Puget Sound Energy

By /s/ Wendy Gerlitz_____

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