STATE OF WASHINGTON
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Low-Income Energy Assistance 2023 Legislative Report

ERRATA

July 1, 2024

In January 2023, the Washington State Department of Commerce published and submitted to the Legislature the Low-Income Energy Assistance 2023 Legislative Report as required by RCW 19.405.120.

In November 2023, Commerce learned that data submitted by Seattle City Light and included in the report contained an error that had the effect of overstating the amount of energy assistance provided by Seattle City Light through its Utility Discount Program. The error was detected during the State Auditor's review of the utility's compliance with the Clean Energy Transformation Act.

Commerce is documenting the error with this Errata but is not revising the report itself.

Error in data submitted by Seattle City Light
The erroneous data submitted by Seattle City Light concerns the amount of total bill reductions from its Utility Discount Program in 2019 and 2020. The originally reported values are struck through below, and the correct numbers are colored red.

	Utility Discount Program (UDP)	
	2019	**2020**
Total number of program participants*	37,497 accounts	46,974 accounts
Total number of low-income program participants*	Same as above	Same as above
Total bill reductions for all participants in dollars*	~~$35,276,924~~ $17,639,101	~~$44,276,517~~ $22,145,956

Impact of the Error on the 2023 Legislative Report
The error affects the following areas of the Low-Income Energy Assistance 2023 Legislative Report:

- Executive summary (p. 3):
  - Total amount spent on energy assistance programs in 2020: Reduced from $117 million to $95 million
  - Total amount of bill reductions in 2020: Reduced from $91 million to $69 million

- Program expenditures section (p. 20):
    - Total amount spent on energy assistance programs in 2020: Reduced from $117 million to $95 million
    - Total amount of bill reductions in 2020: Reduced from $91 million to $69 million
    - Total amount spend on energy assistance programs in 2019: Reduced from $119 million to $102 million
    - Total amount of bill reductions in 2019: Reduced from $82 million to $65 million
- Appendix J:
    - Seattle City Light bill reductions and program expenditures provided customers: Reduced each amount by $22 million
    - Seattle City Light percent of total (statewide) bill reductions: Reduced from 49% to 38% in the "Without Donations" table and by a comparable amount in the "Including Donations" table
    - Seattle City Light percent of (statewide) program spending: Reduced from 40% to 28% in the "Without Donations" table and by a comparable amount in the "Including Donations" table
- Appendix K:
    - No effect, as Seattle City Light did not submit a funding level assessment

Questions concerning this Errata may be directed to Austin Scharff, Senior Energy Policy Specialist, austin.scharff@commerce.wa.gov.

Low-Income Energy Assistance 2023 Legislative Report

Washington State Department of Commerce

Per the Clean Energy Transformation Act (RCW 19.405.120)

ENERGY

March 6, 2023

Report to the Legislature

Interim Director Kendrick Stewart

V3.2

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For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772)

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Executive summary

Overview

RCW 19.405.120 (Sec. 120) of Washington's 100% clean electricity law, the Clean Energy Transformation Act (CETA 2019), requires Washington electric utilities make energy assistance programs and funding available to low-income customers. Electric utilities must demonstrate progress in providing assistance pursuant to assessments and plans conducted under the law. To the extent practicable, priority must be given to low-income households with a higher energy burden.

A household is considered energy burdened when its residential energy bills exceed 6% of its gross income. Energy assistance need is the amount of funding needed to reduce home energy bills of a low-income household to 6% of its gross income.

Low-income is defined as household incomes that do not exceed the higher of 80% of area median income (AMI) or 200% of federal poverty level (FPL), adjusted for household size.[1] For the purposes of this report, references to "low income" refer to AMI.

Energy assistance refers to bill assistance, energy efficiency, weatherization, or distributed energy resource programs, such as solar plus storage, undertaken to reduce household energy burden.

Legislative mandate

Sec. 120 requires Commerce submit a biennial report to the Legislature that:

> (i) Aggregates information into a statewide summary of energy assistance programs, energy burden, and energy assistance need;
>
> (ii) Identifies and quantifies current expenditures on low-income energy assistance; and
>
> (iii) Evaluates the effectiveness of additional optimal mechanisms for energy assistance including, but not limited to, customer rates, a low-income specific discount, system benefits charges, and public and private funds.

The law requires Commerce assess mechanisms to prioritize energy assistance toward low-income households with a higher energy burden.

This is the first report to satisfy these requirements.

How we are providing the required information

Since 2019, Commerce consulted an advisory group of utilities and non-profits to support data collection and aggregation and evaluate additional mechanisms for low-income assistance and opportunities to prioritize low-income households with higher energy burdens. Commerce held public workshops and comment periods throughout 2022 to support the development of this report. The report methodology is detailed in Appendix C.

[1] https://app.leg.wa.gov/WAC/default.aspx?cite=194-40-030

Key findings

- More than 250,000 low-income households (about 25%) are energy burdened (e.g., they spend more than 6% of their household incomes on residential energy bills).
- On average, these households spend $844 in excess of 6% of their household income on home energy bills annually, which amounts to an annual statewide energy burden of $234 million after taking bill reductions from energy assistance programs into account.
- Low-income households in many parts of Washington do not have access to programs and funding crucial to maintaining affordable home energy bills.
- Utility programs serve only a small percentage of low-income households compared to individual statewide programs, such as the Supplemental Nutrition Assistance Program (SNAP), that have similar eligibility standards.

Findings

The current energy assistance system represents a patchwork of utility energy assistance programs with many holes where crucial programs and funding for low-income households remain absent. Layered over this patchwork is a federal block grant program, the Low-Income Housing Energy Assistance Program (LIHEAP), and a few relatively small state programs that offer limited assistance to low-income households. Additional one-time funding from the federal government and Legislature has helped reduce outstanding arrearages for low-income households in the wake of the COVID-19 pandemic.

Taken together, the combination of utility-operated assistance programs and LIHEAP falls short of addressing the energy burdens of low-income households. The absence of robust energy assistance programs and funding statewide is a significant energy and housing problem. Households that spend over 6% of their incomes on energy assistance are more likely to leave the temperature of their homes at unhealthy and unsafe levels, forgo other household necessities, like food and medicine, and are more likely to lose their housing and remain in poverty. Energy assistance programs reduce the likelihood of these harms.

Substantial energy burden and energy assistance need

According to data collected by the U.S. Census Bureau through its American Community Survey (2015-2020), and calibrated by the U.S. Department of Energy and National Renewable Energy Laboratory, over 250,000 low-income households (about 25%) in Washington spend more than 6% of their household income on home energy bills. Their annual expenditures above 6% of their household incomes equate to $844 on average per household or $234 million statewide after bill reductions from energy assistance programs. These numbers include energy costs from electricity and other home fuel sources, such as natural gas, propane, and wood.

The calculation of energy assistance need does not reflect the amount of assistance needed to help low-income households pay their home energy bills when their home energy bills are less than 6% of their household income. These households may struggle to pay their home energy bills; however, they are not accounted for under the definition of energy assistance needed established by Commerce under WAC 194-40-030.

Insufficient energy assistance program spending

Electric utilities spent roughly $117 million on low-income energy assistance programs in 2020. These programs generated $91 million in bill reductions for an estimated 166,911 low-income households in 2020. Donations collected by electric utilities amounted to another nearly $9.5 million in bill reductions that year.

Utilities that supply only natural gas to customers also have energy assistance programs. These programs are estimated to have delivered about four million dollars in energy assistance. LIHEAP and state programs collectively amounted to around $50 million in assistance in 2020.

Most energy programs are direct bill assistance programs and their bill reductions are assumed to be reflected in the American Community Survey. This means the annual energy assistance need to reduce low-income home energy bills to 6% of household income is $234 million.

Uneven efforts to bolster programs and funding

Investor-owned utilities (Avista Corp, Puget Sound Energy, and PacifiCorp), which are regulated by the Utilities and Transportation Commission (UTC), are implementing broader and deeper reforms under RCW 80.28.68 compared to consumer-owned utilities (e.g., public utility districts, municipal electric utilities, and electric utility cooperatives), which do not have comparable statutory requirements and are not regulated by the UTC. Investor-owned utility reforms include relatively more robust direct bill assistance and energy efficiency programs open to all low-income customers, more funding, and more extensive outreach strategies and enrollment campaigns.

Large consumer-owned utilities, such as Seattle City Light, Tacoma Power, Clark County PUD No 1, and Snohomish County PUD No 1, offer both direct bill assistance and energy efficiency and weatherization programs to all their low-income customers. They intend to continue to expand their program offerings and increase funding across these programs. They are also adopting more comprehensive outreach strategies and enrollment campaigns.

Medium-to-small sized consumer-owned utilities have fewer program offerings and more limited outreach strategies and enrollment campaigns. When they do offer utility funded direct bill assistance programs, they are only accessible to seniors or disabled households — the exception being Jefferson County PUD No 1. This means many of their low-income households do not have access to these crucial assistance programs. This fact is concerning because many of these utilities serve areas of the state with high percentages of energy burdened households.

Nine consumer-owned utilities indicated they plan or are in the process of tweaking their energy assistance programs. Eleven others intend to incrementally increase program funding or outreach. Five consumer-owned utilities created or plan to create their first low-income energy assistance programs. Twenty-four consumer-owned utilities reported they are either still assessing what to do or have no plans to improve the effectiveness of their programs.

Paths forward

Sec. 120 instructs Commerce to evaluate the effectiveness of additional mechanisms for energy assistance. These additional mechanisms follow two different approaches to energy assistance.

One approach, the utility-by-utility approach, retains electric utilities as administrators of energy assistance programs and focuses on reforming programs. The other approach, the statewide approach, would have a statewide entity administer energy assistance programs. Each approach has many variations.

The utility-by-utility approach

The utility-by-utility approach aims to patch holes in the existing energy assistance system. Investor-owned utilities are currently required under RCW 80.28.068 to offer direct bill assistance and conduct significant

outreach and enrollment campaigns. This law could serve as a template for reforming consumer-owned utility programs.

There are a number of potential challenges and drawbacks to this approach. Reforms taking place at investor-owned utilities benefit from a supportive regulator in the UTC. Consumer-owned utilities are not regulated by the UTC. They are regulated by local governing boards, which may be more reluctant to support reforms. A utility-by-utility approach also does not address potential administrative and funding challenges for small utilities serving disproportionately energy burdened communities. It also does not address energy burden from multiple fuel sources, such as natural gas, propane, and wood.

State general funds could be used to support a utility-by-utility approach to energy assistance; however, this would require ongoing appropriations and force energy assistance program funding to compete for scarce tax dollars. Incentives would also need to be in place for utilities to maximize their own contributions to their programs and increase program participation.

The statewide approach

The statewide approach would have a statewide entity administer energy assistance. This approach recognizes utility energy assistance programs serve only a small percentage of low-income households served by individual statewide programs, such as Supplemental Nutrition Assistance Program (SNAP), that have similar eligibility standards. A statewide approach could streamline enrollment and coordinate across social services agencies statewide to increase program accessibility and service.

Perhaps most importantly, a statewide approach could address energy burden from multiple fuel sources, not just electricity, and protect customers served by small utilities with an above average share of low-income customers with high energy burden. Addressing energy burden in these areas on a utility-by-utility basis could result in steeper rate increases for the customers of those utilities compared to customers of other utilities with smaller shares of low-income customers.

A statewide approach could be funded through a charge assessed on utility services. The benefits of funding programs this way is it shields customers of utilities with a large share of high energy burden customers from steep rate increases and provides a predictable stream of funding. This funding would not be subject to federal requirements placed on LIHEAP funds and could make energy assistance services accessible to households not served by LIHEAP. A statewide approach could also make it easier and more affordable to collect data on energy assistance need and target assistance programs toward households with the highest energy burdens.

A statewide approach funded through a system benefits charge would mean customers from a utility help customers of another utility. Customers served by utilities with lower energy prices and fewer low-income households might contribute more than they would under the utility-by-utility approach.

A coordinated statewide approach that offers energy efficiency and renewable resource programs for low-income households could have additional benefits, including supporting the development of a clean energy workforce and coordinating low-income bill assistance, energy efficiency, and renewable resource programs to address energy burden holistically on a statewide basis.

As mentioned, a system benefits charge could apply to electric and natural gas utilities. General fund dollars could be appropriated to a statewide energy assistance program to address energy burden from other home heating fuels, as contemplated under Sec. 47 of Washington's comprehensive cap-and-invest program, the Climate Commitment Act.

Energy burden and assistance need

Background

Energy is an essential need, and residential energy bills disproportionately impact home affordability and household budgets of low-income households. Recent reports from the American Council for an Energy-Efficient Economy (ACEEE)[2] provide a comprehensive overview of key findings from national studies. The findings include:

- Energy burdened households are more likely to forgo other household necessities, such as food or medicine, to pay energy bills, and are more likely to lose housing and remain in cycles of poverty.
- High energy burdens have been correlated with negative health outcomes, especially for children and the elderly, which might result from extreme temperatures in the home or dampness and mold.
- High energy burdens can have mental health impacts, such as chronic stress, anxiety and depression, which are associated with fear and uncertainty around access to energy, the complexities of navigating energy assistance programs, and the inability to control energy costs.
- Climate change, rising temperatures, and subsequent cooling demands will continue to exacerbate household energy burdens and prove deadly for some.

These reports cite multiple national studies that find the following groups are disproportionately burdened:

Low-income households

- Low-income households have limited discretionary income and often have older, less efficient housing stock and appliances that lead to higher energy bills.

Black, Indigenous, and people of color (BIPOC) communities

- BIPOC communities often experience the highest energy burdens when compared to more affluent or white households due in part to systemic racial discrimination, which has led to long-standing patterns of disenfranchisement from income- and wealth-building opportunities for BIPOC communities compared to white communities.

Rural households

- Rural households have higher energy costs as a percentage of their income than metropolitan households.
- Low-income rural households tend to live in distressed communities with high unemployment, high poverty rates, poor housing

Energy burden and home affordability

Powering home heating and cooling, lighting systems, and appliances is an everyday necessity and key component of the cost of living.

As defined in WAC 194-40-030, a household is burdened by their home energy bills when their energy bills exceeds 6% of their gross income. This calculation reflects that shelter costs should not exceed 30% of income and utility costs should not exceed 20% of those shelter costs. Therefore, an affordable energy burden should be at or below 6% of household income (30% x 20% = 6%).

This formula stresses the interconnection between housing and home energy costs in determining housing affordability and cost of living.

It does not quantify whether low-income households can pay their residential energy bills, in which case they would need assistance to balance their household budgets.

[2] American Council for an Energy-Efficient Economy, How High are Household Energy Burdens? (September 2020); American Council for an Energy-Efficient Economy, The High Cost of Energy in Rural America (July 2018)

conditions, lack of access to broadband and high speed internet, fewer educational opportunities, and barriers to accessing financing and investment.
- Many rural utilities are unable to allocate sufficient funding and capacity to meet the efficiency needs of their communities, leaving many rural households with limited or no access to affordable efficiency upgrades.

Renters
- Nearly one-third of renter households have high energy burdens (i.e., they spend more than 6% of their income on energy bills).[3]
- Rentals consume 15% more energy on a per-square-foot basis and have 30% higher energy costs than other homes.[4]

Older adults
- Older adults have a 36% higher median energy burden than the median household nationwide. They often live on fixed incomes and experience challenges with housing options, housing quality, and needed home repairs.

It is important to recognize these characteristics may overlap and compound energy burden. For instance, rural households have a higher energy burden than urban households. Rural low-income households have a greater energy burden than their higher-income counterparts, and rural nonwhite households have a higher energy burden than their white counterparts.[5]

Poverty rates are also higher for some populations, such as single-parent families headed by a female households. Female single-family households are disproportionately from BIPOC communities and disproportionately renters.[6] These households are consequently more likely to be energy burdened.

Broader social and economic circumstances also impact energy burden. The most recent ACEEE report concludes that COVID-19 and the subsequent economic recession have likely led to higher home energy use and higher energy burdens for low-income households, particularly BIPOC communities due to systemic racism and lack of investment in these communities.[7]

Energy burden and assistance need in Washington

Sec. 120 requires Commerce to estimate the energy burden, energy assistance need, and reported energy assistance for each electric utility. The Legislature requires Commerce do this to improve agency and utility efforts to serve low-income households. Utilities must disclose information to Commerce to assist it in its data collection efforts.

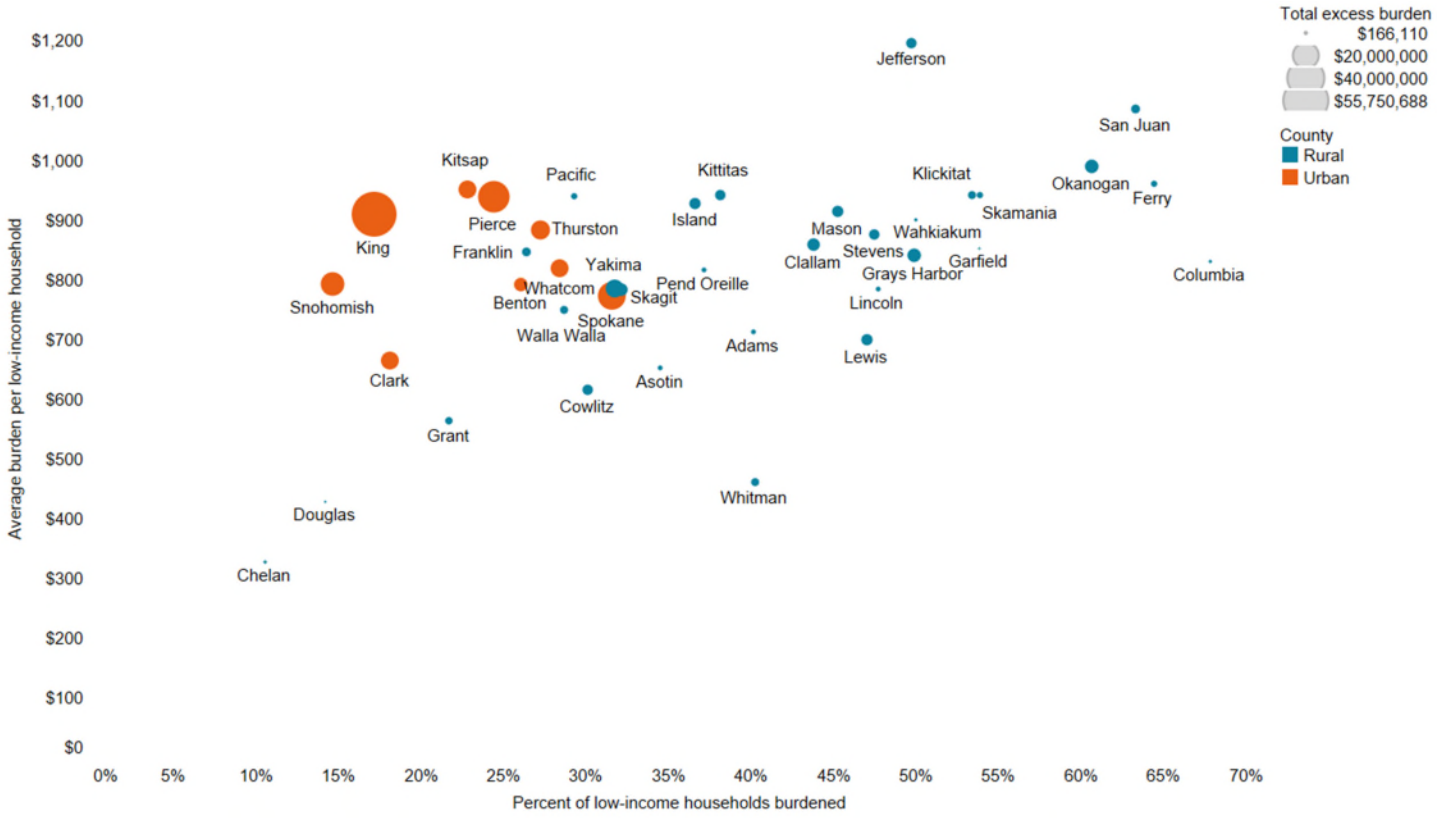
Utilities have not historically kept demographic information about their customers, and most utilities did not develop the data needed to meet Commerce's statutory reporting requirements. With the advice of its Energy Assistance Advisory Group, Commerce used the Department of Energy's Low-Income Energy Affordability Data (LEAD) Tool in combination with available utility data to meet its statutory requirements. A description of the DOE LEAD Tool and a summary of its strengths and weaknesses is provided in Appendix D.

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[3] Ibid.
[4] Energy Equity for Renters Initiative Kicks Off with Guide for Cities | ACEEE
[5] https://www.aceee.org/sites/default/files/publications/researchreports/u1806.pdf
[6] https://iwpr.org/wp-content/uploads/2022/01/Young-Mothers-Survey-Brief_FINAL.pdf
[7] American Council for an Energy-Efficient Economy, How High are Household Energy Burdens? (September 2020)

The DOE LEAD Tool estimates that about 25% of low-income households — which represents more than 250,000 households statewide — spend more than 6% of their household income on energy bills and are therefore energy burdened. The average annual household energy burden in excess of 6% of a household income is $844. This amounts to $234 million in energy assistance need statewide.

Figure 1: Energy burden of low-income households by county



Source: Commerce calculations using U.S. Department of Energy Low-income Energy Assistance Data
WA DOE LEAD Tool Data | Powered by Box

Figure 1 shows counties by average burden per low-income household and percent of low-income households burdened. Rural counties are blue. Urban counties are orange. The size of the dot for each county represents the total excess energy burden — that is, the residential energy costs above 6% of household income aggregated across low-income households in the county.

Figure 1 shows rural counties have a greater percentage energy burdened low-income households than urban counties. These same rural counties tend to have average per household energy burdens equal to or greater than urban counties. The mid-Columbia counties (Chelan, Douglas, and Grant) fall outside this pattern.

While rural counties are disproportionately energy burdened (see Figure 2), their total excess burden is often far less than their urban counterparts. For example, 64% of low-income households in Ferry County have an average annual energy burden per household of $961. The excess burden for all low-income households in Ferry County totals just over $1 million annually. That compares to 17% of low-income households being energy burdened in King County. Low-income households in King County average an annual household burden of $910. The total annual excess burden for all low-income households in King County is about $56 million.

Figure 2: Low-income household energy burden in rural and urban counties



Source: Commerce calculations using U.S. Department of Energy Low-income Energy Assistance Data
WA DOE LEAD Tool Data | Powered by Box

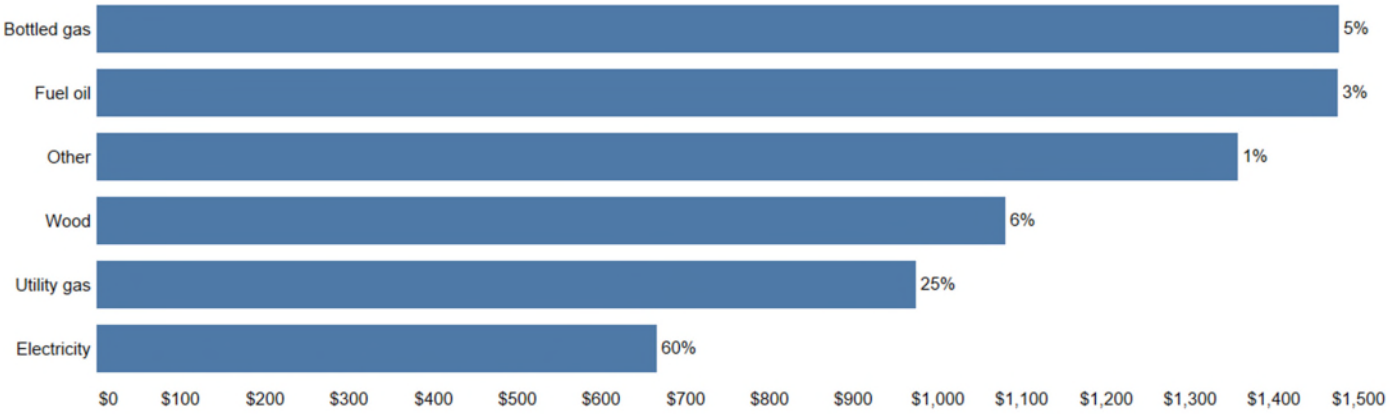
Rural counties with high energy burdens correspond loosely with distressed areas of the state — counties where the three-year unemployment rate is over 7.2%.[8]

Housing stock and primary fuel use

Low-income households in rural counties tend to live in older and less efficient housing stock and use a greater percentage of wood and propane as primary fuel source, compared to low-income households in urban counties. Older homes are also more likely to pose health risks to households than newer, more efficient buildings.

Propane and wood are both hazardous to the environment and human health. Low-income households using these fuels have a higher annual average household energy burdens than households using electricity or natural gas. Energy burdened low-income households using electricity (60%) had an average annual energy burden of $666. Energy burdened low-income households using natural gas (25%) had an average annual energy burden of $975. Energy burdened low-income households using other fuels (15%) had an average annual energy burden of $1,304.

Figure 3: Avg. annual low-income household energy burden by primary fuel type



Source: Commerce calculations using U.S. Department of Energy Low-income Energy Assistance Data
WA DOE LEAD Tool Data | Powered by Box

[8] The Employment Security Department defines distressed areas as counties where the three-year unemployment rate is at least 20% higher than the statewide average. For more information about distressed areas, see Chapter 43.168.020 of the Revised Code of Washington.

The rural electric utility dilemma

Many of the rural counties with disproportionately burdened populations are served by relatively small electric utilities. For instance, Ferry County is served by Ferry County PUD No 1 — one of the state's smallest utilities. It has 0.8% of the residential customers and 1.7% of the revenues of Seattle City Light.[9] Its service territory is one of the most low-income and energy burdened parts of the state.

It may be difficult for Ferry County PUD No 1 to provide ratepayer-funded energy assistance sufficient to address the energy burden of its low-income households without rate hikes, because of its high proportion of low-income, energy-burdened customers compared to larger utilities, such as Seattle City Light. Fully addressing the energy burden of low-income customers for utilities with a disproportionate share of low-income customers could result in other customers becoming energy burdened themselves.

Ferry County is exceptional in its high percentage of energy burdened low-income households that use wood and propane to heat their homes. Rural counties generally have a lower but still significant portion of low-income energy burdened households who do not use electricity or natural gas but rely on wood, propane, or other fuel source as a primary heating fuel. Energy burdened low-income households in urban counties tend to use propane, wood, or other fuels to a far lesser extent compared to rural counties.

While Ferry County's situation is more extreme than other areas, it highlights a problem for an approach to energy assistance that relies primarily on electric utilities, particularly those serving rural counties, to meet cost burdens for all forms of energy used by households.

Table 1: Energy burden by county

County	Percent of low-income households that are energy burdened	Percent of energy burdened low-income households of total population	Average energy burden per household	Total excess burden
Ferry	64%	33%	$961	$1,015,943
Okanogan	61%	29%	$991	$5,096,764
San Juan	63%	24%	$1,086	$2,244,080
Skamania	54%	24%	$943	$1,116,445
Columbia	68%	22%	$831	$333,309
Whitman	40%	22%	$461	$1,847,492
Grays Harbor	50%	21%	$842	$5,300,470
Klickitat	53%	21%	$943	$1,837,731
Wahkiakum	50%	20%	$901	$345,319
Garfield	54%	20%	$853	$166,110
Stevens	47%	20%	$876	$3,087,422
Lewis	47%	19%	$700	$4,187,038

[9] Annual Electric Power Industry Report, Form EIA-861 detailed data files

County	Percent of low-income households that are energy burdened	Percent of energy burdened low-income households of total population	Average energy burden per household	Total excess burden
Adams	40%	18%	$714	$780,220
Jefferson	50%	18%	$1,198	$3,232,893
Lincoln	48%	18%	$784	$639,090
Clallam	44%	17%	$859	$4,951,201
Kittitas	38%	16%	$943	$2,899,219
Mason	45%	16%	$915	$3,633,987
Pend Oreille	37%	14%	$817	$674,125
Asotin	34%	14%	$653	$824,623
Yakima	32%	13%	$786	$8,829,505
Spokane	32%	13%	$773	$21,403,369
Pacific	29%	13%	$941	$1,148,510
Whatcom	28%	12%	$821	$8,846,882
Island	37%	12%	$929	$3,948,091
Cowlitz	30%	12%	$616	$3,100,722
Skagit	32%	11%	$783	$4,418,173
Walla Walla	29%	11%	$750	$1,845,517
Franklin	26%	10%	$847	$2,402,895
Thurston	27%	10%	$884	$10,082,742
Benton	26%	9%	$793	$5,145,296
Pierce	24%	9%	$939	$27,567,584
Grant	22%	9%	$565	$1,583,181
Kitsap	23%	8%	$953	$8,544,946
Clark	18%	7%	$665	$8,478,396
King	17%	7%	$910	$55,750,688
Snohomish	15%	7%	$793	$15,441,567
Douglas	14%	5%	$428	$307,074
Chelan	11%	4%	$327	$373,299

Source: Commerce calculations using U.S. Department of Energy Low-income Energy Assistance Data
WA DOE LEAD Tool Data | Powered by Box

Other considerations

When examining energy burden and energy assistance need data, it is important to remember that just because a household energy bill is not greater than 6% of its income, it does not mean the household does not struggle to pay its home energy bills. Higher costs of living can reduce disposable household income and make it more difficult to pay home energy bills.

The above analysis treats entire counties as either urban or rural. A more thorough analysis would identify and categorize individual census tracts. Commerce investigated the feasibility of doing this with U.S. Department of Agriculture Rural-Urban Community Area (RUCA) codes. RUCA codes were not available in 2020 census tracts when this report was written.

It is also important to note that while the DOE LEAD Tool data for Washington supports the findings of national studies that conclude low-income households and rural communities are disproportionately energy burdened, it does not show renters are more energy burdened than homeowners or that BIPOC households are disproportionately burdened.

Energy assistance program availability

Background

Washington law distinguishes between two main categories of electric utilities:

- **Investor-owned utilities (IOUs),** including Avista Corp, PacifiCorp and Puget Sound Energy (PSE)
- **Consumer-owned utilities (COUs),** including public utility districts, municipal utilities and cooperatives

COUs serve roughly 56% of Washington residential electric utility customers. IOUs serve the remaining 44% of residential electric utility customers.[10]

COUs and IOUs operate under two different legal frameworks. IOUs are regulated by the UTC under RCW Title 80, while COUs have their own governing boards and are primarily self-regulated under their respective state statutory frameworks.

Electric utilities tend to provide two main types of low-income energy assistance programs:

- Bill assistance provided by grants to customers or discounted rates
- Energy efficiency programs, primarily low-income weatherization

Other low-income programs being developed and adopted by IOUs and a few COUs are arrearage management plans and distributed energy resource programs, such as solar and battery storage.

Recent developments

Beginning in 2021, Sec. 120 required all electric utilities make energy assistance programs and funding available to low-income households.

The next year, RCW 80.28.068 (SB 5295) required IOUs propose low-income assistance discount rates for all low-income customers, as well as grants and other low-income assistance programs. The statute requires IOUs make reasonable and good faith efforts to seek approval of these programs from low-income assistance and equity advisory groups. The programs must be delivered, in coordination with community action agencies or other community-based organizations, with streamlined eligibility rules and substantial outreach and community engagement. The Legislature has not enacted comparable requirements for COUs.

A statewide patchwork with many holes

Low-income households do not have equal access to utility energy assistance programs across the state. The programs available to low-income households largely depend on the type and size of the utility that serves the household. Households served by IOUs or large COUs, such as Seattle City Light, Tacoma Power, Snohomish PUD No 1, and Clark Public Utilities District No 1, tend to have direct bill assistance and energy efficiency programs available to all low-income customers. This is not always the case for low-income households served by smaller COUs.

Smaller COUs tend to have fewer program offerings than IOUs or large COUs. In Washington, more than 13 medium to small-sized COUs offer only one utility funded program or no utility funded program at all. Four medium-to-small sized utilities do not offer utility funded direct bill assistance programs. Many other small and

[10] U.S. Energy Information Administration, Annual Electric Power Industry Report, Form EIA-861 detailed data

medium-sized COUs offer only a utility funded direct bill assistance or no utility funded program at all. Most of the utilities that fall in the categories are small municipalities and cooperatives.

When medium to small sized COUs offer utility funded direct bill assistance programs for low-income customers, the programs are typically not open to all low-income households. Rather, a low-income household is eligible only if it meets additional criteria, such as disability or senior status. Many of these programs were established before the Legislature clarified that public utilities could provide direct bill assistance to all low-income customers, not just senior and disabled households.[11] Roughly half of all COU bill assistance programs created in the last 20 years are open to all low-income customers.

First-time programs
At least six utilities created assistance programs with the intention to meet Sec. 120 requirements that they make energy assistance programs and funding available to low-income customers by July 31, 2021.

These programs include donation-based programs, utility funded low-income senior direct bill assistance programs, direct bill assistance programs for low-income households that experience financial hardship, and two direct bill assistance programs available to all low-income households. These programs are summarized in Appendix F.

Non-electric utility energy assistance programs

In addition to electric utility funded programs, there are other additional sources of energy assistance. These include:

Bonneville Power Administration Low-Income Energy Efficiency Program (LIEE)
The Bonneville Power Administration's Low-Income Energy Efficiency LIEE program directly benefits qualifying low-income residents by funding the installation of energy-efficiency measures in their homes at no cost.[12]

Low-Income Home Energy Assistance Program (LIHEAP)
The Low-Income Housing Energy Assistance Program (LIHEAP) is a federal energy assistance program administered by Commerce. The program has funded state programs to help households with energy bills, health and safety improvements, and weatherization and minor home repairs since 1981.

Heat and Eat Program
Washington Combined Application Project and the Food Assistance Program for Legal Immigrants provides up to $20.01 LIHEAP benefits for twelve months.[13]

Washington State Matchmaker
The Washington State Legislature created the Washington State Matchmaker Program in 1987 to provide matching funds for weatherization investments made by utility and property owners. The Legislature has continued to fund the program each biennium since 1991. The program expanded to include healthy home measures in 2015.

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[11] RCW 74.38.070
[12] Low Income Energy Efficiency - Bonneville Power Administration (bpa.gov)
[13] WAC 388-400-0047:

Natural gas utility energy assistance

While Sec. 120 is aimed at energy assistance provided by electric utilities, it should be noted that natural gas companies also provide energy assistance that helps address the energy burden of low-income households. The two gas-only IOUs, Northwest Natural Gas and Cascade Natural Gas, offer direct bill-assistance and weatherization programs. The City of Enumclaw and City of Ellensburg distribute natural gas and have energy assistance programs too. They are not regulated by the UTC.

Voluntary donations for direct bill assistance

Electric utilities collect and apply donations to customer accounts as a form of direct bill assistance. Most utilities reported donations as an unreliable source of funds for customers. Utilities and low-income advocates disagree over whether donation programs can be counted under Sec. 120 requirements.

Program accessibility

Background

Low-income energy assistance programs must be available, accessible and known to low-income households for programs to successfully serve customers.

Barriers and opportunities to accessing low-income energy assistance programs may be best understood by low-income households. Although limited to PSE's service territory, a low-income needs assessment conducted in 2021 for PSE by a third party consultant provides insights into important elements of program design for low-income households:[14]

PSE non-participants are generally more aware of programs like LIHEAP than of PSE's assistance programs

- The PSE website was a common source of information about PSE programs, while local social service agencies were a more common information sources for LIHEAP.
- During interviews, stakeholders said implementation agencies are resource-constrained and might not have enough staff or funding to adequately support the communities they serve (including for outreach).
- Stakeholders indicated they struggled to assist customers with PSE application process.
- According to seven of eight implementation agencies, it can be difficult to engage and enroll customers in PSE programs because they are often not able to fully access a customer's account to retrieve all information needed for the application, even if the customer provides permission.
- Stakeholders reported that it would be beneficial program eligibility to align with LIHEAP to help streamline the application process.
- 72% of survey respondents (n=677) indicated that they want to find out about available assistance through information included with their bill.

Perceived lack of need and stigma aversion and mistrust keeps eligible customers from applying for PSE programs

- Overall, 64% of survey respondents (n=688) said they struggle to pay their energy bills each month and 75% said they are comfortable accepting help to reduce their energy bills.
- During interviews, stakeholders said aversion to asking for help might be a barrier to participation, explaining that customers might not want to ask for help from an assistance program because they might not perceive themselves as someone who needs help or because they are not comfortable asking.
- Not all customers might see their utility as an entity that wants to provide assistance to lower energy bills without some kind of "catch."
- BIPOC individuals are less likely than white respondents to say they are comfortable receiving assistance to lower their energy bills. BIPOC individuals likely experience additional barriers to feeling comfortable accepting help, such as aversion to playing into a stereotype perpetuated by institutional, systemic racism.

Customers want to participate in assistance programs that are free and accessible; customer intimidation about starting the process might limit greater customer enrollment

- The survey found that no-cost participation is the most important attribute of any program for income-qualified customers.
- Customers want to participate in assistance programs with easy application processes and quick approval. Even customers with limited English proficiency prefer these program elements over interacting with program staff in their preferred language.

[14] https://apiproxy.utc.wa.gov/cases/GetDocument?docID=1543&year=2018&docketNumber=180680

- Of the survey respondents who previously participated in a PSE assistance program, the majority said it was easy to enroll.
- The problem might be that more than half of survey respondents (53%, n=690) indicated they do not know how to start the process of enrolling in an energy assistance program. Though 42% (n=492) have interacted with a local social service agency or other nonprofit in their county, only 27% knew of a trusted organization they might turn to if they needed help in the future.
- 51% of survey respondents (n=661) indicated they prefer to submit an application online. Online applications might mitigate some of the barriers around aversion to asking for help (due to stigma, shame, or pride), as well as facilitate an easier process from a logistical standpoint.

Due to high satisfaction levels, direct assistance recipients might be good stewards for PSE assistance programs

- Customers receiving direct bill assistance will already be familiar with program participation and the application process, and therefore some burdens to program entry will have already been overcome.

The rental segment may require targeted outreach

- For energy efficiency and weatherization support programming specifically, renters might not know they are eligible for program services. Although awareness for weatherization was low among all survey respondents (27%, n=582), of the 32 who were aware and chose not to apply, 23 assumed they were ineligible because they were renters.
- Customers may struggle to participate in energy efficiency and weatherization because property owners are unwilling to go through the program or pay any amount for improvements for only the tenant to receive the benefits.
- The report recommended facilitating program informational sessions targeting landlords in high-need census block groups.

The PSE assessment highlights, among other things, the important role of community action agencies (CAAs) in energy assistance program accessibility.

CAAs are a national and statewide network of community-based non-profits and public agencies established around 50 years ago to help deliver a range of federal and state low-income programs, such as food and nutrition, housing, rental assistance, early childhood education, job skills, and energy assistance to communities in Washington. The Department of Commerce has contracted with CAAs for many years to deliver the federal LIHEAP program. CAAs are a listed preferred deliverer of LIHEAP funds under federal statute.

Electric utilities have relied on CAAs to conduct outreach and determine the eligibility of low-income households. CAAs help administer federal and state low-income assistance programs. Their regular interactions with low-income households through federal and state programs, and presence in all 39 Washington counties, make them a natural fit for identifying eligible participants for utility programs.

During the pandemic, some CAAs were understaffed while taking on new federal and state program requirements along with increased demand for assistance. In some cases, this led to long wait times and delays in processing utility program applications. Some households might not have had the time or ability to get an appointment and submit the required paperwork, and consequently did not receive needed assistance. Under Chapter 188, Laws of 2021, CAAs are now working with IOUs to streamline eligibility determinations to shorten processing times. These statutory requirements do not apply to COUs, which serve more than half of all residential customers statewide.

Program outreach strategies and enrollment campaigns

Outreach strategies are plans or activities used to encourage participation of eligible low-income households in programs. Sec. 120 requires utilities to assess their outreach strategies, including consultations with community-based organizations and tribes as appropriate.

Comprehensive enrollment campaigns encompass efforts to not only raise awareness, but also enroll low-income households. Sec. 120 stipulates each utility submit an assessment of its comprehensive enrollment campaigns that are linguistically and culturally appropriate for vulnerable populations.

IOUs

Under RCW 80.28.068, IOUs will utilize self-attestation with limited documentation to streamline income verification and enrollment processes. Both Avista Corp and PSE plan to serve as joint administrators for customer enrollments in their proposed discount programs, which will provide a new point of access for customers seeking assistance. Avista added the Spokane Tribe of Indians in 2021 as a partner in the delivery of the program to individuals residing on the Tribe's reservation.

IOU outreach and community engagement includes print advertising, mobile outreach to areas where individuals are seeking support for other social services, general outreach at community partner events, and energy assistance workshops.

IOUs conduct outreach to non-English speaking households and vulnerable populations to varying degrees. For instance, Avista Corp reported bringing a translator or making written materials available in multiple languages at events where a high number of non-English speakers are expected. PacifiCorp reported offering bilingual movie theater advertisements. PSE conducted its first tribal no-cost Home Energy Assessment and Small Business Direct Install initiatives in Whatcom County. Additional door-to-door campaigns focused on manufactured and mobile home communities around the city of Auburn.

In addition to their outreach and community engagement efforts, IOUs use low-income advisory groups to consult with community organizations that serve low-income communities. From these advisory groups, IOUs report gaining new insights into their communities and adjusting their programs and outreach strategies to better serve low-income households and vulnerable communities.

All IOUs have created dashboards to inform their programs, outreach strategies, and comprehensive enrollment strategies. These tools are noted in Appendix M.

COUs

COUs reported having bilingual or multilingual materials, and those that did not indicated they plan to develop these materials. The majority of COUs reported that they plan to use their existing relationships with CAAs to conduct outreach. A compilation of reported outreach methods and comprehensive enrollment campaigns for both COUs and IOUs is provided in Appendix K.

Many COUs reported using governing board meetings as the principal way to make announcements about their programs. A few COUs reported holding annual or one-time meetings with local organizations. A couple COUs reported collaborating with local community organizations to design programs. One COU reported working with community organizations beyond CAAs to enroll low-income households for energy assistance and other services. Many said they use print materials and digital communications to advertise their programs.

A number of COUs indicated in their assessments that they do not have a formal process to involve or collaborate with low-income households in the design and implementation of their low-income programs, or methods to track, evaluate, or report outreach. Conversations with COUs over the course of developing this report suggests that these statements apply to many if not all COUs. COUs are not required to maintain low-income or equity advisory groups, and Commerce is unaware of any COUs that maintain and regularly engage with low-income or equity advisory groups.

Chelan County PUD No 1 is the only COU that reported it planned to adopt self-attestation and limited documentation to streamline enrollment for its programs.

Five COUs (Clark County PUD No 1, Chelan County PUD No 1, Douglas County PUD No 1, Mason County PUD No 3, and Richland Energy Services) developed dashboards with consultants to identify low-income households in their service territories and tailor their programs, outreach strategies, and enrollment campaigns for those households. Tacoma Power reported using the City of Tacoma's Equity Index to the same effect.

A summary of relatively non-standard outreach strategies and enrollment campaigns conducted by COUs is provided in Appendix H.

Program participation, bill reductions, and expenditures

Washington electric utilities spent $117 million on utility funded programs that generated $91 million in bill reductions for an estimated 166,911 low-income households in 2020.[15] This compares to about $119 million spent on utility funded programs that generated about $82 million in bill reductions for an estimated 194,952 low-income households in 2019.

For comparison, utility funded programs served roughly a quarter of the total number of households served by statewide programs with similar eligibility standards, such as the Supplemental Nutrition Assistance Program (SNAP) and Food Assistance Program for Legal Migrants in 2020.

Energy efficiency program expenditure reductions during 2020 are likely due to COVID-19 health and safety protocols. Bill reductions and total program spending on direct bill assistance programs far exceeded utility energy efficiency programs in both 2019 and 2020.

The above bill reductions are annual bill reductions. Energy efficiency investments are expected to generate bill reductions over the life of a measure. For example, Cowlitz County PUD No 1 spent $5,039 in 2022 on weatherization assistance programs administered by the Lower Columbia Community Action Program. This investment is expected to return $81,628 in bill reductions for the life of the installed measures.

Total bill reductions from all installed energy efficiency measures for low-income households across all electric utilities for 2019 and 2020 is unknown due to inconsistent reporting and accounting of low-income household participation in energy efficiency programs.

Funding level assessments

Electric utilities are required to assess their current funding levels compared to the funding levels needed to meet 60% of the current energy assistance need, or increasing energy assistance by 15% over the amount provided in 2018, whichever is greater, by 2030; and 90% of the current energy assistance need by 2050.[16]

Commerce provided utilities the opportunity to submit assessments of their funding levels multiple times. Nineteen utilities submitted funding level assessments. These assessments are included in Appendix K.

Other low-income energy assistance program expenditures

Donations

Donations amounted to a little over $3 million in bill reductions for low-income households in 2019 and about $9.5 million in 2020. The additional $6.5 million increase in bill reductions in 2020 comes largely from two utilities: Snohomish County PUD No 1 (45%) and Avista Corp (33%). Seven utilities saw a decrease in donations in 2020.

Bonneville Power Administration LIEE Program

The LIEE program spent nearly $2 million on low-income weatherization in 2019 and roughly $2.5 million in 2020.

[15] PSE and Avista reported energy assistance programs that serve both natural gas and electric customers.
[16] RCW 19.405.120: Energy assistance for low-income households. (wa.gov)

Department of Energy (DOE) Low-income Weatherization Funding

Department of Energy provided roughly $4.4 million in 2019 and $3.9 million in 2020 for low-income weatherization.

Natural gas companies

In addition to the energy assistance programs provided by Avista Corp and PSE, Cascade Natural Gas distributed roughly $1 million to customers in grants to low-income natural gas customers during the 2020-21 program year, and spent $531,010 on low-income weatherization. During the same program year, Northwest Natural provided $399,849 in grants to low-income customers, and distributed $2,182,016 through weatherization. Ellensburg's natural gas utility provided $12,745 in bill assistance to its low-income customers in 2020. Enumclaw has a low-income rate that is 70% its standard rate. Based on assumptions provided by the utility, Commerce estimates the utility spent around $13,200 on low-income assistance in 2020.

LIHEAP

LIHEAP funding increased from approximately $28 million disbursed to 68,262 low-income households in 2019 to roughly $40 million disbursed to 88,815 households in 2020. Roughly $32 million of the 2020 funds were administered or passed through Washington's electric and natural gas utilities.

Washington Matchmaker Program

The Washington Matchmaker Program spent $9.3 million in the fiscal year of 2019 and nearly $6 million in the fiscal year of 2020 on low-income weatherization. The decrease in 2020 expenditures results from health and safety protocols halting work during the COVID-19 pandemic.

Plans to improve programs

Background

Utilities are required to plan to improve the effectiveness of their energy assistance programs under Sec. 120. Below is a summary of their plans.

IOU plans

IOUs are subject to both the energy assistance provisions in Sec. 120 and RCW 80.28.068. RCW 80.28.068 is the primary driver behind reforms. Changes made or underway under Sec. 120 and RCW 80.28.068 include:

- Increasing income eligibility thresholds for their programs to the higher of 200% FPL or 80% AMI
- Designing discount rate programs that reduce monthly bills for low-income households, prioritizing households with the highest energy burdens
- Instituting income validation processes that rely on limited documentation and customer self-attestation
- Leveraging and continuing to build data dashboards to inform program design and enrollment campaigns
- In the case of Avista Corp and PSE, developing arrearage management plans
- Expanding outreach and comprehensive enrollment campaigns to a broader set of community organizations in addition to CAAs

COU plans

COUs have made or plan to make more limited changes to improve the effectiveness of their programs. COUs are not subject to RCW 80.28.068. COU plans include:

- Four COUs expanding their offerings across all their programs and adopting new outreach and enrollment strategies
- Nine COUs tweaking or retooling their programs
- Eleven COUs incrementally increasing funding or outreach
- Five COUs creating or planning to create new programs because of CETA
- Twenty-four COUs continue to assess how to improve their programs or did not submit or explicitly stated they do not have plans to improve their programs.

Detailed information on these plans is available in Appendix F.

Evaluation of additional mechanisms for assistance

Background

Sec. 120 requires Commerce evaluate the effectiveness of additional mechanisms for energy assistance including, but not limited to, customer rates, a low-income specific discount, system benefits charges, and public and private funds.

These mechanisms fall under two general approaches to energy assistance. One approach, the utility-by-utility approach, would have utilities continue to administer energy assistance programs. The second approach would have the state administer energy assistance programs. There are many variations to each of these approaches and many complementary or hybrid mechanisms.

These mechanisms should be considered in the broader context of statewide poverty reduction efforts. Washington's 10-year Plan to Dismantle Poverty highlights the importance of all households having their basic needs met and those with the most pressing needs should be served first. The mechanisms below would help accomplish both objectives.

Mechanisms under a utility-by-utility approach

A utility-by-utility approach would keep the existing patchwork of programs in place and attempt to patch existing gaps in program and funding availability, and improve program performance statewide. This would likely mean strengthening requirements on COUs to align them with the reforms currently underway at IOUs. The utility-by-utility approach sacrifices many potential gains, such as ensuring universal access to programs and addressing energy burden from multiple fuel types, which could be accomplished under a statewide approach.

Low-income specific discount

A low-income specific discount means a lower kilowatt hour rate or percentage discount on a bill. Discount rate programs provide direct and ongoing financial relief to households and help keep their homes warm in the winter and cool in the summer. Discount programs increase the likelihood of participants paying their electricity bills and reduce disconnections.

Many Washington electric utilities have administered discounts for a long time, in part because they are relatively easy to administer. A few Washington electric utilities have started offering tiered discounts to better scale benefits to household income.

As with most other utility funded programs, low-income specific discounts could lead to higher rates for customers who do not receive the discount, including low-income households who do not participate in the program. Rate increases for non-participating low-income households would be less common with greater participation rates, which could be achieved through improved outreach strategies and comprehensive enrollment campaigns.

Unlike energy efficiency and weatherization measures, low-income specific discounts do not address energy consumption; they simply make consumption more affordable. Nonetheless, low-income specific discounts have been shown to have marginal impact on household energy use.

Low-income specific discounts do not address past due payments. Grant structured programs allow households to reduce bills for ongoing expenses and overdue balances.

Customer rates

Customer rates include a group of ideas that are not specific to reducing burden for low-income customers. If low-income customers tend to use less electricity than other customers, then the general structure of rates could be designed with higher rates for higher consumption levels.

Changes to customer rates could be effective at reducing energy burden when fixed charges are considerable. However, a multi-tiered rate structure could be administratively burdensome to design and apply, and it could impact the stability of a utility's revenues. Like other mechanisms, a change in the design of customer rates may lead to increased rates for other customers. Low-income customers who have high energy consumption would pay higher bills.

Arrearage management programs

Arrearage forgiveness programs help customers reduce and pay back outstanding balances on their accounts. Avista Corp, PSE, Seattle City Light, Tacoma Power, and Clark PUD No 1 currently have arrearage payment programs.

Arrearage management programs are most successful when paired with energy efficiency programs and direct bill assistance. These programs help households avoid disconnections, reduce past balances, and pay ongoing bills. Auto-enrollment, outreach, and education are crucial to ensure program participation.

Arrearage forgiveness does provide a sustained reduction in energy burden of individual customers and is not a substitute for ongoing energy assistance.

Extend the provisions in RCW 80.28.068 to COUs

This mechanism would apply provisions currently required of IOUs under RCW 80.28.068 to COUs. This would include requiring COUs to offer bill discounts, grants, and other low-income assistance programs to all low-income households. COUs would be required to make reasonable and good faith efforts to seek approval for low-income program design, eligibility, operation, outreach and funding from low-income and equity advisory groups before seeking approval from their respective governing boards. These provisions would promote universal access to programs and align with reforms underway at IOUs on a utility-by-utility basis.

This approach would require modifications to COU business practices and programs. The good news is IOUs and low-income and environmental justice advocates have experience implementing the provisions under RCW 80.28.068 and could share lessons learned from that process to strengthen the provisions for COUs.

Mechanisms under a statewide approach

A statewide approach would have energy assistance administered at a statewide level, rather than utility-by-utility. The benefits of a statewide approach include:

- Universal availability and access to energy assistance statewide
- Streamlined enrollment and coordinated outreach and enrollment campaigns across social services
- Reductions in energy burden from multiple fuel sources, not just electricity
- Address funding constraints for utilities with a disproportionate share of low-income customers
- Improved data, which could help prioritize and direct services to those in greatest need

The primary funding mechanism for a statewide approach is a system benefits charge. A system benefits charge could be used to fund a utility-by-utility approach. However, such an approach would lack the benefits of a state administered program.

System benefits charge

A system benefits charge is a statewide uniform charge, such as a percentage of revenue or an amount per unit of energy, assessed on energy services to fund energy assistance programs. It could fund a statewide, universal direct bill assistance program. This could include financial support for arrearages.

A system benefits charge would avoid disproportionate impacts on customers of individual utilities by sharing resources across utilities to address energy burden statewide. A systems benefits charge would especially protect customers served by small largely rural utilities with an above-average share of low-income customers with high energy burden.

A system benefits charge might support a program with streamlined income verification and enrollment. Further benefits could be had through leveraging existing networks of social service programs statewide, which would likely increase program participation. It could also reduce costs to administer programs statewide, and make it easier and more affordable to collect data on energy assistance need and target assistance to households with the highest energy burdens.

Several states already have system benefits charges. For instance, the Oregon Energy Assistance Program is funded through a system benefits charge. The purpose of that program is to reduce service disconnections. It is delivered by CAAs and administered by the Oregon Housing and Community Services (OCHS), which also administers LIHEAP.

Oregon uses another system benefits charge to fund energy efficiency, weatherization, and small scale renewable energy projects to customers of its IOUs: Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas, and Avista. Other states with notable system benefits charges include:

Delaware
A charged placed on Delmarva Power is collected and split evenly between LIHEAP and the Low-Income Weatherization Program (LIWAP).[17]

New Hampshire
The New Hampshire Public Utilities Commission funds low-income bill assistance and provides households with the least income the highest benefits.[18]

Michigan
The Michigan Energy Assistance Program provides energy assistance to help low-income households pay their bills and avoid disconnection. Michigan allows utilities to opt into the program.[19]

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[17] LIHEAP Clearinghouse, State PBF/USF History, Legislation, Implementation, Delaware
[18] New Hampshire Department of Energy, Results and Effectiveness of the system benefits charge annual report (2022)
[19] LIHEAP Clearinghouse, State PBF/USF History, Legislation, Implementation, Michigan

New Jersey
The New Jersey universal service fund provides monthly credits on residential electric and natural gas bills as well as forgiveness of overdue balances.[20]

In Washington, a statewide entity providing energy assistance could go beyond meeting short-term crisis funding and stand on its own, rather than being additive to LIHEAP.

A program in Washington could also include energy efficiency and renewable energy projects as part of a holistic approach to reducing energy burden and meeting the state's climate goals. It would also have additional workforce and climate benefits. This program could leverage existing Weatherization Assistance Programs.

Like the Energy Trust of Oregon, a statewide entity involved in energy efficiency and renewable energy projects could support the development of Washington's clean energy workforce and use that workforce to meet overwhelming demand for building operators, construction workers, electricians, and related clean energy jobs statewide. It could promote diversity, equity, and inclusion in its hiring practices to support job training for BIPOC communities and build capacity and hire staff in rural areas. The statewide entity could also leverage a network of trade ally contractors and other allied professionals to connect customers to incentives and services.

By its nature, a system benefits charge would require utility customers in one service territory to contribute to a pool of funds which may go to help customers in another service territory. Customers served by utilities with lower energy prices and fewer low-income households might contribute more than they would under the utility-by-utility model. A portion of funds could be kept in the service areas in which they were collected. Such restrictions would limit the pool of funds available to other parts of the state in need of funding and make the program more administratively burdensome. A statewide approach works best when free of restrictions.

If a statewide entity provided energy efficiency and weatherization services and renewable energy programs, it would need to be informed and co-created with utilities and community members to inform programs or projects in their service territories. Utilities could continue to fund and administer their own programs alongside the statewide entity or contract with the statewide entity to offer incentives or pilot new programs. For example, the statewide entity could subcontract to support delivery of a utility energy efficiency program.

A statewide entity capable of administering an energy efficiency or renewable energy portfolio through a systems benefits charge does not exist in Washington. One would need to be created as has occurred in other states, such as Oregon.[21] A program more narrowly tailored to direct bill assistance could be administered by a state agency, such as the Department of Social and Health Services (DSHS) or Commerce.

Complementary mechanisms

The mechanisms below could support either a utility-by-utility or statewide approach to low-income energy assistance. These mechanisms are primarily funding mechanisms; however, program design elements could be incorporated into many of them.

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[20] LIHEAP Clearinghouse, State PBF/USF History, Legislation, Implementation, New Jersey
[21] EnergyTrust of Oregon

Public funds

Public funds are generally understood to mean funds from the state general fund. The state general fund could contribute to energy assistance programs. These funds do not come from utility rates and therefore would avoid potential rate increases. Programs funded through the state dollars would circumvent many obstacles that come with federal funding and create new opportunities to expand program enrollment and types of projects that could be funded. Drawbacks to state general funds include competing needs for scarce tax dollars, the ongoing need to secure legislative appropriation, and the potential for unreliable funding.

Climate Commitment Account

The Climate Commitment Account, which is an account within the state general fund, will be funded with revenues from Washington's comprehensive cap-and-invest program, the Climate Commitment Act (CCA). The Washington State Department of Ecology estimates the state will bring in over $480 million in 2023, $957 million in 2024, and $900 million in 2025.[22]

The range of potential uses of CCA funds is broad, and the Legislature has not yet made specific decisions. It is worth noting that the governor and legislators are prioritizing CCA funds for programs and measures that will reduce greenhouse gas (GHG) emissions. Funding for direct bill assistance programs do not reduce GHG emissions.

The list of eligible uses includes "projects, activities, and programs that directly improve energy affordability and reduce the energy burden of low-income households."[23] These funds could be used to support a statewide program as envisioned in the system benefits charge section of this report. The costs would be recovered by emitters of GHG emissions, not ratepayers. Benefits of this approach include:

- Addressing multiple fuel sources, not only electric or natural gas serving buildings
- Potential for oversight and review by the Environmental Justice Council
- Bolstering outreach, streamlining enrollment, and building a comprehensive database to target assistance to those in greatest need
- Providing capacity support for utilities, tribes, vulnerable populations, and highly impacted communities
- Developing a clean energy workforce for both rural and urban communities
- Addressing supply chain and workforce issues currently halting low-income energy assistance programs
- Complementing rather than superseding existing utility and state programs

The drawbacks of using the Climate Commitment Account to fund low-income energy assistance are similar to those of using general tax revenues. This use would compete with other priorities, albeit within a narrower range of options than the state general fund. Similarly, a statewide entity capable of addressing all these structural barriers in a systemic fashion does not exist. One would need to be created, as has been done in other states, such as Oregon.[24]

Free allowances for electric and natural gas utilities

The CCA provides a second source of potential funds to address low-income energy burden in the form of no-cost allowances provided to electric and natural gas utilities. The Legislature provided no-cost allowances to

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[22] Carbon auctions will bring WA more money than predicted. Transportation could benefit | The Seattle Times
[23] RCW 70A.65.260: Climate commitment account. (wa.gov)
[24] EnergyTrust of Oregon

mitigate the cost burden of the program on electricity and natural gas customers, with the first priority being the mitigation of any rate impacts to low-income customers.[25] Utilities assert these funds are to offset the costs of the CCA to low-income households and other ratepayers, and not to address energy burden from other sources.

Revenue threshold

The 5% revenue threshold approach is a hybrid between utility-by-utility responsibility for energy assistance costs and the statewide approach of a systems benefit charge. It would provide funding from statewide sources only to utilities unable to meet energy assistance targets with customer revenues.

This idea comes from Chapter 188, Laws of 2021, which the Washington Legislature passed in 2021. It permits the UTC to approve, disapprove, or approve with modifications energy assistance proposals of the following types:

> Any proposal to recover from ratepayers up to five percent of the total revenue requirement for each year of a multiyear rate plan for tariffs that reduce the energy burden of low-income residential customers including, but not limited to: (a) bill assistance programs; or (b) one or more special rates. For any multiyear rate plan approved under this section resulting in a rate increase, the commission must approve an increase in the amount of low-income bill assistance to take effect in each year of the rate plan where there is a rate increase. At a minimum, the amount of such low-income assistance increase must be equal to double the percentage increase, if any, in the residential base rates approved for each year of the rate plan. The commission may approve a larger increase to low-income bill assistance based on an appropriate record.

The Washington Legislature could build on this law and provide state funding only if a utility's energy assistance expenditures exceed the 5% threshold. Amounts over the threshold could be returned to utilities as a credit against the public utility tax. Like the system benefits charge, it could be an effective mechanism to help utilities located in areas of the state with high energy burden provide the necessary assistance to their customers.

The 5% threshold appears to be substantially higher than current low-income assistance funding levels, so significant increases in utility spending could occur without triggering the tax credit provision. As noted elsewhere, low-income customers who do not participate in the program and non-low-income households could see rate changes. Streamlined enrollment and improved outreach and community engagement could increase program participation and reduce the overall number of non-participating low-income households.

Private funds

Private funds are understood to mean customer donations. These resources do not create rate pressure. Many utilities report donations to be an unreliable source of funding.

[25] RCW 70A.65.120, RCW 70A.65.130

Mechanisms to prioritize assistance for low-income households with higher energy burdens

Background

Sec. 120 requires Commerce assess mechanisms to prioritize energy assistance towards low-income households with higher energy burden. The below mechanisms were identified by Commerce and its Energy Assistance Advisory Team.

These mechanisms align with the 10-year Plan to Dismantle Poverty in Washington. They focus on serving those in greatest need first and also touch on recommendations to pursue trauma informed approaches to reducing poverty and providing streamlined, easy access to energy assistance.

Structure bill incentives based on income

Direct bill assistance programs could be tiered so households with less income and presumably higher energy burdens receive greater benefits than households with higher incomes and presumably lower energy burdens.

Streamlined enrollment

Low-income households have been shown to want no cost-participation, easy application processes, and quick approval. These objectives could be met through:

- Offering program enrollment through the utility and other community partners, in addition to CAAs
- Allowing self-attestation with limited documentation

Online applications could also prove beneficial to program enrollment for low-income households. It will be important for any online portal to direct customers to their local CAAs for other low-income assistance opportunities.

Public participation standards

Evaluating low-income energy assistance programs based on international public participation standards or similar rubrics would yield additional opportunities to collect input on low-income households assistance needs and identify opportunities to improve assistance to low-income households. These include the International Association for Public Participation (IAP2) Spectrum of Public Participation, Local Government Alliance on Race and Equity (GARE) Toolkit, and Spectrum of Community Engagement to Ownership.

These frameworks conclude that public processes should involve, collaborate with, and empower community members through program planning, decision-making, and implementation. These frameworks value local knowledge. They could be used to improve program design and performance.

Outreach and enrollment messaging

PSE's Low-Income Needs Assessment in 2021 found that low-income households might not want to ask for help because they might not perceive themselves needing help or are not comfortable asking for help. The assessment recommended that:

- PSE improve its outreach and enrollment campaigns by improving its communication materials

- PSE highlight that household participation in the program will provide flexibility to pay for other household costs
- Communications materials could convey that everyone contributes to assistance programs and everyone who is eligible deserves to benefit from the program

Program administrators should assess their own program messaging and ensure it supports program participation and meets people where they are.

Targeted outreach and enrollment campaigns to multicultural communities and community-based organizations

Many utilities report they collaborate with local organizations to conduct program outreach. This includes partnerships with churches, schools, libraries, county fairs, garden shows and local government agencies. These organizations might be resources for some communities, but not others. It is important that utilities involve and collaborate with multicultural community organizations in the design of their programs, outreach strategies, and comprehensive enrollment campaigns. These organizations may serve as trusted cultural ambassadors for utilities and help community partners reach underserved communities. These communities and community based organizations should be appropriately compensated for their expertise.

Statewide low-income needs assessments and data platform

A statewide low-income needs assessment would provide a comprehensive data tool to improve data and analytic capabilities of energy assistance programs. It could contain integrated geospatial household-level data to better serve low-income communities.

A low-income assessment and energy assistance data platform at the state level would:

- Overcome data challenges resulting from overlapping service territories and multiple service programs
- Promote the standardization and integration of data tools across utility and state administered programs and avoid adding additional complexity in already patchworked regulatory and policy environment
- Provide utilities and state energy assistance program administrators with an internal-facing dashboard to improve energy assistance programs, outreach strategies and comprehensive enrollment campaigns
- Create a higher-level public-facing dashboard that could serve as a comprehensive resource on energy burden and considers data privacy concerns
- Use local utility rates rather than self-reported utility costs
- Reduce duplicative costs and capitalize on bulk purchases of third-party data
- Disseminate energy assistance best practices, including outreach strategies, comprehensive enrollment campaigns and program offerings

This assessment would be broader than, and build upon, the one-time low-income weatherization needs assessment currently being conducted by the Weatherization Plus Health Unit at Commerce. It would provide an ongoing resource for utilities and the state. It would also create an accessible platform and toolkit for utilities and Commerce to collect, track, and assess energy burden and energy assistance data, which many of the state's well-resourced utilities have started doing.

An integrated tool accessible to the state administered programs and utilities would help overcome many of the difficulties that arise from overlapping service territories and tracking energy burden associated with multiple fuel types.

The assessment would be best conducted under the direction of Commerce, in consultation with the UTC, utilities, and the public, to ensure the assessment aligns with Commerce and UTC's future reporting requirements and implementation of Sec. 120. The Legislature would need to appropriate funding for this work. It could be funded as part of broader statewide approach under a system benefits charge.

A more limited approach would be to continue to use the DOE LEAD Tool and input utility bill data into the tool. Commerce would need additional funding to conduct this work.

Low-income weatherization-plus-health programs with solar

Expanding solar access to low-income households can provide a long-term solution to meeting energy assistance need for households with higher energy burdens. Homes can be prepared for solar installation during home weatherization. Minnesota and Colorado provide solar installation in conjunction with each state's weatherization assistance program. The systems are 100% owned by low-income households. Low-income households in Minnesota that participated in its program have seen an average annual savings of $587 on their electric bills.[26] Federal funding requirements make it extremely difficult to launch weatherization plus health and solar programs. State funding would remove these barriers and provide opportunities to launch programs like these in Washington.

Solar programs for low-income multifamily housing

Limitations on the use of federal funds for low-income solar and weatherization programs make it difficult to support low-income solar programs for multifamily housing. Yet these programs have multiple benefits. First, they reduce household energy costs and living expenses. They lower operating costs of housing authorities and other entities that own public housing, which increases their ability to maintain quality housing for low-income households. State funding for these programs would allow the state to more aggressively deploy low-income solar programs targeted for low-income multifamily housing.

Another mechanism to support distributed energy programs for low-income households in multifamily housing may exist through energy codes. Some local jurisdictions are implementing new mechanisms for enabling access to solar for residents of multifamily affordable housing that may be a useful model for low-income energy assistance. One example is the City of Seattle. It has an alternative compliance option for renewable energy requirements in its commercial energy efficiency code that funds solar energy installations in affordable housing.[27]

As more local renewable energy generation requirements are adopted in energy codes, alternative compliance payments directed to low-income renewable energy projects can increase access to energy assistance. If designed appropriately, they will reduce energy burden.

Energy efficiency programs for multifamily buildings

The Tacoma Power Customer Energy Program provides an example of how to implement an equitable approach to unlocking energy savings in tenant housing. During 2020 and 2021, Tacoma Power Customer

[26] Clean Energy Resource Teams, Solar for Minnesota weatherization assistance participants, July 2022
[27] Seattle Energy Code, Chapter 4

Energy Programs worked with the City of Tacoma Office of Equity and Human Rights to examine how to apply an equity lens to Power Conservation programs using the Government Alliance on Race and Equity (GARE) toolkit. It found its conservation programs focused primarily on home owners and was missing rental properties, creating unintended racial disparities in the communities it serves.

The utility engaged contractors, property owners, property managers, tenants, community organizations (such as Shiloh Baptist Church Hilltop Coalition, Centro Latino, and the Tacoma Black Collective), and City of Tacoma partners (such as Tacoma Black Collective).

Tacoma Power learned that property owners often lacked knowledge of its programs, needed help navigating the energy efficiency and weatherization process, and preferred no upfront costs and large incentives. It learned that community partners were concerned about the possibility of increased property values and rents, that the utility was not considered a trusted partner, and that it could build trust and stronger relationships with community partners. Tenants expressed concerns about increased rents and wanted to learn how to save energy without structural upgrades to the building.

Based on this feedback, the utility created a landlord-tenant liaison position to implement a landlord conservation program. The program will work with community partners to recruit landlords to participate in rental property energy audits, develop comprehensive proposals for energy efficiency upgrades, assist landlords with low-income certification paperwork, network with rental associations, and provide creative solutions to reduce administrative challenges to seek long-term energy burden reduction.

Using an equity framework can highlight potential blind spots in program design and implementation and highlight new possibilities for reducing energy burden. Creating a new program around an identified need and ensuring community members can collaborate and be empowered can begin to untangle problems that might otherwise seem too difficult, if not impossible, to solve. The drawbacks of this approach is it takes resources and expertise to design and implement these programs, and it is not clear that all of Washington's electric utilities equipped for this work.

Automatic qualification of households enrolled in low-income programs for distributed energy resource programs

Several states allow residents who are income qualified for other state and federal programs to be automatically eligible for a renewable energy program. This is the case, for example, with the Oregon Department of Energy Solar + Storage program. It is also the case with the DC Solar for All program, which includes a community solar initiative that pre-qualifies recipients of other energy assistance programs and conducts proactive outreach and community engagement to help low-income households enroll.

Qualifying low-income households that are enrolled in direct bill assistance and weatherization programs for distributed energy resource programs could increase the accessibility of distributed energy resource programs.

There are few existing programs supporting solar for low-income households. This mechanism would need to be paired with others, such as programs funded from CCA revenue, to be effective for assistance.

Dismantle Poverty Report recommendations

Governor Inslee created the Poverty Reduction Work Group in 2017. In 2020, it released a 10-year plan to dismantle poverty in Washington. It includes strategies and recommendations for a just and equitable future.

One recommendation from the report is developing a universal intake, data sharing, and technology platform to share essential information across agencies, systems, and sectors. Such a system would allow low-income service providers, including CAAs and potentially utilities, to easily identify and auto-enroll households into low-income energy assistance programs. This recommendation would increase the accessibility of low-income energy assistance programs and benefit low-income households with high energy burdens to the extent they are enrolled in other low-income assistance programs and not enrolled a low-income energy assistance program.

The report also recommends increased state funding for weatherization and upgrades to preserve existing housing and reduce carbon emissions.

Weatherization Plus Health Report recommendations

The 2022 Weatherization Plus Health report identifies several mechanisms to prioritize assistance to low-income and disproportionately energy burdened households. These households include rural and BIPOC households, and households with a primary fuel other than electricity.

Residential heating assistance

In Sec. 47 of the CCA (SB 5126), the Legislature recognized the need for a residential heating assistance program to assist households that use fuels that are not electricity or natural gas. It tasks the Department of Ecology (Ecology) with developing a proposal to assist these households and prioritize assistance for low-income households through weatherization, conservation and efficiency services, and bill assistance. The Legislature should evaluate Ecology's findings and consider additional action to assist these households.

Conclusion

The transformation envisioned by CETA extends beyond the replacement of fossil fuels with clean electricity. CETA finds the public interest includes an equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health, economic, and environmental benefits; reduction of costs and risks; and energy security and resiliency.[28] This includes specific requirements for increasing energy assistance to low-income households.

Energy assistance programs are not yet meeting the transformational vision of CETA. Instead, energy assistance often falls between various efforts to improve housing affordability, meet basic needs of households, and reduce poverty. Utility energy assistance programs are not universally available, and they have overall low participation rates compared to state programs with similar eligibility requirements.

There are two general approaches to strengthening energy assistance. The utility-by-utility approach would likely involve strengthening requirements on COUs. Each utility would remain primarily responsible for funding its own programs regardless of its rate base.

The statewide approach would relocate energy assistance programs to the state level, ensuring universal access to energy assistance. This approach would have the added benefit of being able to reduce energy burden across all fuel types, not just electricity, and coordinate program implementation more smoothly across existing statewide social service networks. The program could be funded statewide through a system benefits charge applied to electric and natural gas utilities. It could also be funded more tenuously through the state general fund.

[28] RCW 19.405.020: Definitions. (wa.gov)

Appendix A: RCW 19.405.120

Energy assistance for low-income households.

(1) It is the intent of the legislature to demonstrate progress toward making energy assistance funds available to low-income households consistent with the policies identified in this section.

(2) An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021. Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection (4) of this section. To the extent practicable, priority must be given to low-income households with a higher energy burden.

(3) Beginning July 31, 2020, the department must collect and aggregate data estimating the energy burden and energy assistance need and reported energy assistance for each electric utility, in order to improve agency and utility efforts to serve low-income households with energy assistance. The department must update the aggregated data on a biennial basis, make it publicly accessible on its internet website and, to the extent practicable, include geographic attributes.

(a) The aggregated data published by the department must include, but is not limited to:

(i) The estimated number and demographic characteristics of households served by energy assistance for each utility and the dollar value of the assistance;

(ii) The estimated level of energy burden and energy assistance need among customers served, accounting for household income and other drivers of energy burden;

(iii) Housing characteristics including housing type, home vintage, and fuel types; and

(iv) Energy efficiency potential.

(b) Each utility must disclose information to the department for use under this subsection, including:

(i) The amount and type of energy assistance and the number and type of households, if applicable, served for programs administered by the utility;

(ii) The amount of money passed through to third parties that administer energy assistance programs; and

(iii) Subject to availability, any other information related to the utility's low-income assistance programs that is requested by the department.

(c) The information required by (b) of this subsection must be from the electric utility's most recent completed budget period and in a form, timeline, and manner as prescribed by the department.

(4)(a) In addition to the requirements under subsection (3) of this section, each electric utility must submit biennially to the department an assessment of:

(i) The programs and mechanisms used by the utility to reduce energy burden and the effectiveness of those programs and mechanisms in both short-term and sustained energy burden reductions;

(ii) The outreach strategies used to encourage participation of eligible households, including consultation with community-based organizations and Indian tribes as appropriate, and comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations; and

(iii) A cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet: (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050.

(b) The assessment required in (a) of this subsection must include a plan to improve the effectiveness of the assessed mechanisms and strategies toward meeting the energy assistance need.

(5) A consumer-owned utility may enter into an agreement with a public university, community-based organization, or joint operating agency organized under chapter 43.52 RCW to aggregate the disclosures required in this section and submit the assessment required in subsections (3) and (4) of this section.

(6)(a) The department must submit a biennial report to the legislature that:

(i) Aggregates information into a statewide summary of energy assistance programs, energy burden, and energy assistance need;

(ii) Identifies and quantifies current expenditures on low-income energy assistance; and

(iii) Evaluates the effectiveness of additional optimal mechanisms for energy assistance including, but not limited to, customer rates, a low-income specific discount, system benefits charges, and public and private funds.

(b) The department must also assess mechanisms to prioritize energy assistance towards low-income households with a higher energy burden.

(7) Nothing in this section may be construed to restrict the rate-making authority of the commission or the governing body of a consumer-owned utility as otherwise provided by law.

Appendix B: Definitions

Consumer-owned utility (COU) means a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under Chapter 87.03 RCW, a cooperative formed under Chapter 23.86 RCW, or a mutual corporation or association formed under Chapter 24.06 RCW, that is engaged in the business of distributing electricity to more than one retail electric customer in the state.[29]

Energy assistance means a program undertaken by a utility to reduce the household energy burden of its customers. It includes, but is not limited to weatherization, conservation and efficiency services, and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household's energy burden.[30]

Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.[31]

Energy assistance need means the amount of assistance necessary to achieve an energy burden at or below 6% for utility customers.[32]

Energy burden means the share of annual household income used to pay annual home energy bills.[33] It is limited to residential expenses, and includes any fuel source for energy, such as electricity, natural gas, propane, heating oil, and wood. It does not include non-energy utilities and transportation-related energy expenses, such as gasoline or electric vehicle charging.

A household is burdened by their home energy bills when their bills exceed 6% of their gross income. This calculation reflects that shelter costs should not exceed 30% of income, and utility costs should not exceed 20% of shelter costs. Therefore, an affordable energy burden should be at or below 6% of household income (30% x 20% = 6%).

Investor-owned utility (IOU) means a company owned by investors that meets the definition of "corporation" in RCW 80.04.010 and is engaged in distributing electricity to more than one retail electric customer in the state.[34]

Low-income means household incomes that do not exceed the higher of 80% of area median income (AMI) or 200% of federal poverty level (FPL) adjusted for household size.[35]

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[29] RCW 19.405.020: Definitions. (wa.gov)
[30] Ibid.
[31] Ibid.
[32] WAC 194-40-030:
[33] RCW 19.405.020: Definitions. (wa.gov)
[34] Ibid.
[35] WAC 194-40-030:

Appendix C: Data collection methodology

Commerce assembled an Energy Assistance Advisory Group (TAG) in 2019 to assist in the development of best practices and resources to implement the data collection work directed under Sec. 120. The Data TAG Charter and list of members is posted on Commerce's Energy Assistance webpage.

Utilities historically have not collected the demographic and housing characteristics of households served by their energy assistance programs. With the Data TAG's advice, Commerce chose to use the Department of Energy's Low-Income Energy Affordability Data (LEAD) Tool in combination with utility submitted data to meet the requirements under Sec. 120.

Commerce aggregated the DOE LEAD Tool data and shared it with utilities and advocates before posting it on its CETA Energy Assistance webpage. Commerce did not require utilities to complete RCW 19.405.120(4) during the 2020 reporting process, and instead gave utilities an additional two years to prepare for their assessments.

2022 Reporting

Commerce developed the 2022 reporting template for Sec. 120 with the members of the 2019 Data TAG over the course of the spring of 2021. Commerce held a public webinar to gather stakeholder feedback in June of 2021. A draft report form was published six weeks later for utilities to begin preparing their reports. The final reporting template was published Oct. 28, 2021 with a reporting deadline of Feb. 1, 2022.

Commerce requested utilities submit data for their low-income programs. Commerce welcomed utilities to report data from programs available to all customers if utilities could identify the number of low-income households and the corresponding bill reductions and expenditures associated with assisting those low-income customers. Commerce asked utilities to only submit data for programs that included some amount of utility funds.

Commerce began aggregating submitted data in February of 2022. In addition, the agency convened a Technical Advisory Team to meet regularly through 2022 to review the data. Commerce shared the aggregate data file with all the utilities who submitted data and held a public webinar to review the file. Utilities were given two weeks to review and revise the data. The data was then shared with utilities a second time to ensure that the data was accurate. At the same time, Commerce shared documents and files summarizing utilities qualitative assessments, and plans to improve the effectiveness of their programs, for utilities to review.

Commerce used independent examinations of Washington utility programs and national studies to illustrate and support key findings it heard from stakeholders in putting together this report.

IOUs and low-income advocates asked for more information about electric IOU low-energy assistance program changes and plans since 2020. This information has been compiled in Appendix G.

Commerce also surveyed COUs who submitted energy assistance assessments about any unreported programmatic changes to their programs or planned changes since 2020. The results of that survey are included in Appendix F.

In addition to roughly a dozen energy assistance advisory meetings, the agency held four public workshops and two public comment periods throughout the summer and fall of 2022 before finalizing the report.

Appendix D: Data from the Low-Income Energy Affordability Data (LEAD) Tool

The LEAD Tool was developed by the U.S. Department of Energy (DOE) and National Renewable Energy Lab (NREL) as part of the Clean Energy for Low-Income Communities Accelerator (CELICA), a U.S. Department of Energy Better Buildings Initiative Accelerator, aimed to lower energy bills for low-income communities through a two-year voluntary partnership between DOE and state and local governments.

The LEAD Tool uses the U.S. Census Bureau's 2020 American Community Service data (ACS) data with microdata samples from the survey (2016-2020).

Like all U.S. Census Bureau data, the data in the LEAD Tool is self-reported by households. This includes the energy cost data, which is collected for the month the survey was conducted. Household energy costs are then extrapolated over the course of a year. DOE calibrates the energy cost data using electric utility and natural gas utility survey data submitted by utilities to U.S. Energy Information Administration. This fixes averages across geographic areas to match roughly utility reported data. For instance, electricity expenditures by households across Census tracts in a utility service area would be roughly equal to the average utility revenue by customer.

The tool contains energy burden data at the national, state, county, tribal, and city levels. The ACS is household reported data. However, as a survey, not all households are sampled. Household types are grouped together and energy expenditures are assumed to be the same within a group.

Income information is provided as a percentage of the area median income (AMI), state median income (SMI), and federal poverty level (FPL). The tool provides the number of occupied housing units and energy expenditures by:

- Tenure (renter or owner)
- Year of first construction
- Number of units in the building
- Housing unit primary heat type

Strengths and limitations

The DOE LEAD Tool provides the only publicly available resource on household energy burden. It is the only comprehensive resource to look at energy burden by Census tracts and the above dimensions.

The primary limitation of the DOE LEAD Tool is that it relies on self-reported data. Self-reported data is subject to error. A household may incorrectly identify the primary heat type of their building, for instance reporting utility gas instead of bottled gas.

Self-reported data may also overestimate or underestimate true energy costs. Extrapolating one month of energy costs over a year introduces additional uncertainty into the dataset. Households tend to use more energy in winter and summer months to heat and cool their homes, than in spring and fall. Extrapolating household energy data collected in winter and summer months may overestimate household costs, while data

collected in spring and fall may underestimate a household's annual energy costs. Bias from non-responsive households are addressed through the U.S. Census Bureau's methodology.[36]

DOE calibrates the energy price data to align it with energy price data collected through surveys of electric utilities (Survey Form 861) and natural gas utilities (Survey Form 176) to mitigate against potential errors in the ACS data. Non-responsive households are likely corrected by the Census Bureau as part of their methodology.

Perhaps importantly, some households do not pay energy costs directly – like an apartment building with a shared boiler. The actual per unit costs may differ from a similar household that pays energy costs directly.

Many utilities reported difficulties working with the LEAD Tool data because Census tracts do not align with utility service area boundaries. A utility serving the same Census tract served by other utilities cannot determine the energy burden associated with its customers from the customers of the other utilities. They must estimate it.

Alternatives

Utilities know the actual bills of their customers. They know arrearages, late payments and disconnection notices, conservation potential, energy assistance expenditures and other program data. Customer demographic data is available through third parties. County assessors have information on buildings and the state has customer information about households served through state programs, such as the Low-Income Heat Assistance Program (LIHEAP).[37]

This information has been used by some utilities to build household-level data dashboards for their service territories. These efforts have been limited to the three IOUs and a half-dozen COUs.

Building a household-level data dashboard for the state would improve utility efforts to understand energy and energy assistance need and ensure consistency in the data and assumptions used across utilities. It would also reduce overall costs from bundled purchases of third party data and maintenance of these tools.

A more limited approach would be to continue to use the DOE LEAD Tool and input utility bill data into the tool. This approach would not include household-level data and therefore would not improve the demographic information in the tool.

Commerce currently does not have funding to implement either of these approaches.

[36] An Overview of Addressing Nonresponse Bias in the American Community Survey During the COVID-19 Pandemic Using Administrative Data (census.gov)
[37] Energy Equity · Empower Dataworks

Appendix E: 2020 residential electric customers and revenues

The data below 2020 residential electric customers and revenues by electric utility. The data were collected from the EIA 861 form.

2020 Residential Electric Customers and Revenues

Utility	Residential Customers	% of Residential Customers	Revenues	% of Total Revenues
Puget Sound Energy, Inc	1,039,596	33%	$2,116,993K	30%
Seattle City Light	426,359	13%	$931,769K	13%
Snohomish County PUD No 1	327,512	10%	$611,810K	9%
Small COUs (>25k)	280,666	9%	$692,346K	10%
Avista Corp	232,273	7%	$536,103K	8%
Clark County PUD No 1	197,576	6%	$366,059K	5%
Tacoma Power	162,367	5%	$370,590K	5%
PacifiCorp	111,293	4%	$322,711K	5%
Benton County PUD No 1	47,856	2%	$127,865K	2%
Cowlitz County PUD No 1	45,721	1%	$244,855K	3%
Chelan County PUD No 1	39,781	1%	$66,362K	1%
Grant County PUD No 2	39,638	1%	$209,777K	3%
Grays Harbor County PUD No 1	37,941	1%	$100,374K	1%
Inland Power & Light Company	37,782	1%	$77,289K	1%
Peninsula Light Company	34,013	1%	$58,797K	1%
Mason County PUD No 3	32,259	1%	$67,790K	1%
Clallam County PUD No 1	29,572	1%	$65,323K	1%
Lewis County PUD No 1	27,512	1%	$73,423K	1%
Franklin County PUD No 1	25,881	1%	$82,663K	1%

Appendix F: Summary of utility plans

This appendix is a compilation of electric utility plans to improve the effectiveness of their energy assistance programs and outreach and enrollment strategies.

Utilities were asked to submit plans for improving their energy assistance programs and outreach and enrollment strategies on Feb. 1, 2022, along with 2019-2020 program data. IOUs and low-income advocates asked for more information about electric IOU low-energy assistance program changes and plans since 2020. This information has been compiled in Appendix G.

Commerce also surveyed COUs in the fall of 2022 about any unreported programmatic changes to their programs or planned changes since 2020. The results of that survey are included below.

Broad and deep reforms under RCW 80.28.068

Avista Corp

Avista Corp is modifying its LIRAP program from a grant-based benefit to a discount based program in line with RCW 80.28.068. It is also expanding its income thresholds to align with Sec. 120. The bill discount will be based on the participant's income level. Avista Corp will serve as a joint administrator of the program and rely on limited documentation and self-attestation to verify eligibility for the program. Avista Corp is in the process of designing targeted conservation programs that will be offered to low-income households and highly impacted communities. Avista Corp intends to use 2022 to develop program design concepts and outreach strategies. It aims to roll out new conservation programs in 2023.

PacifiCorp

PacifiCorp is expanding the income thresholds for its LIBA program and changing the method of calculating its discount credit for monthly usage in excess of 600 kWh to a straight percentage discount of the net monthly bill. It eliminated an annual cap on its program, which will open enrollment to all low-income households. PacifiCorp has also proposed revisions to its Weatherization program, including an increase of funds available for repairs from 15% to 30% of annual eligible measure cost. The program will also permit installation of electric heat to replace permanently installed electric heat, space heaters, or any fuel source except natural gas with adequate combustion air. The changes are designed to promote the installation of electric heat and minimize wood heat, solid fuel, or natural draft equipment where combustion safety and air quality cannot be maintained.

Puget Sound Energy (PSE)

PSE is proposing a new low-income bill discount rate program pursuant to RCW 80.28.068. The program has been designed to significantly reduce the monthly PSE bill for customers who have the highest energy burdens. PSE is also proposing an arrearage management program which will forgive 1/12 of the customer arrearage with each on-time monthly payment, effectively paying off any past due balance after one year of on time payments.

PSE has proposed the creation of an income validation process for its bill discount rate and PSE HELP. The new process relies on limited documentation and customer self-attestation. It is updating its web translation services to support more languages, and is leveraging findings from its Low Income Needs Assessment and Dept. of Health's cumulative impact assessment to inform program design and customer engagement. PSE has prioritized short-term reductions in energy burden through the pandemic. The company hopes to begin prioritizing both short-term and long-term programs.

COUs expanding bill discount, energy efficiency, and other program offerings and adopting new outreach and enrollment strategies

Clark County PUD No 1

Clark County PUD No 1 reported that it was launching a new COVID-19 Relief program targeted at low-income customers in the fourth quarter of 2021. The program will be available to residential households with a total household income that does not exceed 225% of the federal poverty level. It intends to offer a bill credit of up to $750 (not to exceed the past due balance) to address the past due balance on the account that is over a month past due. Customers can receive a payment matching benefit of up to $500, based on eligible past due balance, after the CPR bill credit is posted. Utility staff continue to develop targeted conservation programs and aim to implement a new program in 2023.

Clark County PUD No 1 recently adopted its first Transportation Electrification Plan, which includes a low-income specific program that offers a rebate (10% of purchase price) for purchasing a used EV (100% electric only). The plan also includes a variety of other EV related incentive programs available to all customers.

Seattle City Light

Seattle City Light reported it is in the process of developing customer resources to assist with the resumption of late fees and shutoffs. It is upgrading its program application process by investing in an enterprise content management system to bring together its previously siloed programs. Seattle City Light is now offering a personalized arrearage arrangement program for customers with past-due balances. It has also added direct install and walk-through audits for rate discount customers with unusually high electricity use.

Snohomish County PUD No 1

Snohomish PUD No 1 is currently planning to streamline enrollment for its income qualified discount program. Snohomish plans to add to its partnerships with Foodbanks, schools, CARES and ARPA Act grantees, LIHEAP, and DSHS to include a partnership with IQA in health care and income qualified housing providers to limit redundancies and reach all areas across the utility's service area.

Snohomish PUD No 1 is evolving its historical energy efficiency program metrics to include geospatial data to get more granular data about program participation to determine circuit-level and household demographic data to provide targeted serves to customers in greatest need of energy efficiency services.

Snohomish PUD No 1 onboarding general contractors who can provide "bridge services" for income qualified customers to permit eligibility for other utility and community programs. Measures may include roof repair, windows, and other products outside traditional weatherization programs to enable participation and enrollment in other programs.

Snohomish PUD No 1 also leveraging a grant from the Department of Commerce to install a community solar array on capacity constrained summer peaking circuit. 100% of production credits from the project will go to Project PRIDE, a customer crisis fund serving Income qualified customers and administered by St. Vincent DePaul.

Snohomish PUD No 1 has adopted a new construction program for commercial and multi-family buildings that are built to efficiency standards above code. It is paying extra incentives for electric vehicle supply equipment and grid harmonization, if over half of the residents are income qualified customers.

Tacoma Power

Tacoma Power intends to expand its discount and donation programs. When its disconnection moratorium ended it automatically signed customers to its 24 month arrearage payment plan. Tacoma Power also expanded the eligibility requirements of its conservation program to comply with Sec. 120. The utility is offering more conservation rebates and grants, and will be offering 100% grant for insulation measures for qualifying rental properties. Tacoma Power continues to evaluate offering up to 100% grants for HVAC and single-pane window replacement for qualifying rental properties.

Tacoma Power is offering deferred zero-interest loans for qualifying customers and loan repayment not due until the home is no longer occupied by the customer or their spouse. It is adding central heat pumps and raising loan cap rates for HVAC, Insulation, Hybrid water heaters and Window replacement to eliminate any income-qualifying customer out of pocket expenses. A real estate lien is used to secure the loan and customers have the option of loan pay off at any time during the life of the loan.

Tacoma Power is initiating a program to help customers understand their energy use and learn about opportunities to save energy for up to 70,000 customers. Customers will receive quarterly Home Energy Reports (HERS). A portion of the participants will be qualifying low-income customers in targeted census tracts. It is also reinstating virtual and eventually on-site energy audits for all customers, including those living in rentals, with a focus on income qualified customers. Income qualified tenants will receive an energy efficiency kit. Custom projects for single-family and multifamily customers will be identified and pursued where possible to assist reduce energy burden.

COUs tweaking or retooling programs

Clallam County PUD No 1

Clallam County PUD No 1 reported it restructured its existing program to align with the goals and initiatives with Sec. 120 of CETA. Clallam County PUD No 1 is funding a new energy assistance program with $350,000 or 115% of the 2018 funding assistance level. Clallam County PUD No 1 has allocated most of its funding for direct financial assistance as a way to reach the most amount of customers with the funding available.

Cowlitz County PUD No 1

Cowlitz County PUD No 1 is assessing its low-income discount rate programs using updated customer demographic data to ensure eligibility requirements, income limits, and discount rates are applicable to vulnerable populations and highly impacted communities with high energy burden. It is also making program adjustments in response economic pressures, customer access constraints and identified gaps for customers with high energy burden who are ineligible for other energy assistance resources. Cowlitz County PUD No 1 intends to track the effectiveness of its programs over the long-term and establish a ductless heat pump and heat pump water heater incentive and installation program with targeted promotion to tenant households in high energy burden census tracts.

Cowlitz County PUD No 1 recently adopted a low-interest loan program facilitated by local credit union to incentivize qualified home energy conservation improvements. The value of energy efficiency rebates are used by the credit union to offset interest expenses for loans. Its senior discount rate credits were increased from 15% to 20% for eligible customers at or below 175% FPL and 25% to 30% for eligible customers at or below 125% FPL.

Chelan County PUD No 1

Chelan County PUD No 1 invested in creating an energy burden mapping tool and plans to use it to target energy efficiency services to areas of Chelan County where there are a larger percentage of customers who

have high energy burden. The County sent a gift box with showerheads and lights and provided an option to receive a thermostat as well. Households will also be able to submit a self-addressed card back to the utility letting it know they want to participate in other offerings through this program. The PUD intends to follow up with more costly items like weatherization (windows, air sealing and insulation), appliances and water heater improvements. The PUD intends to not require income requirements for this program, but rather spot check through a QA/QC process internally. This should help the ease entry into the program.

Douglas County PUD No 1

Douglas County PUD No 1 is considering the feasibility and need for direct assistance programs for its low-income customers. It contracted with a consultant to design a data dashboard to identify energy burden across its service territory. It found that high conservation potential customers make up most of its high energy burdened customers. The utility intends to emphasize conservation rather than direct discounts or grants, and increase outreach to vulnerable and high-burden customers. It intends to eliminate its matchmaker weatherization program, and in 2022, will be designing programs and allocating funds that are needed to meet its energy efficiency and energy assistance targets.

Lewis County PUD No 1

The District's plan to improve the effectiveness will follow its Clean Energy Implementation Plan actions. The PUD recently launched a low-income energy assistance program focused on providing low income ductless heat pumps and weatherization. The program pays up to $5000 per income eligible household for ductless heat pumps, and up to 100% of cost for insulation. The PUD received $1.2 million in 2020 and $1.4 million in 2022 for low income energy assistance energy efficiency through PUD efforts to secure grant funds from the TransAlta Coal Transitions Board.

Mason PUD No 3

In 2022, Mason PUD No 3 is considering the feasibility and need for assistance program designs for customers up to 80% AMI. It is going use an energy burden dashboard developed by a consultant to identify vulnerable populations for more targeted outreach. In addition, it will partner with its community action council to offer low income residential energy efficiency programs and assistance.

The utility now offers a low-income energy assistance grant program. The grant program provides eligible customers who have met the documentation and verification requirements with $325 credited to their electric account. Customers must apply for the grant directly with Mason PUD 3. Recipients must re-apply for subsequent grants; only one grant is allowed within a 12-month period. The following requirements must be met to be eligible for the grant:

- The total household income may not exceed 200% of the Federal Poverty Level or 80% of Mason County's Area Median Income
- The calculated energy burden must be at or above 6%
- The applicant must have an active Mason PUD 3 account in their name
- The applicant must be a permanent, year-round resident in Mason PUD 3's service territory

The program is designed so that the following groups of customers will receive the benefit of not having to fund the new grant program for a 12 month period from the time of verification:

- Households that receive the Low-Income Energy Assistance Grant
- Households actively enrolled in our Low-Income Senior Discount or Low-Income Disability Discount
- Households identified by Mason PUD 3 as in a highly impacted community
- Households that have received assistance from our Project Share fund

- Households that have received LIHEAP

The governing board decided to keep the Low-Income Senior Discount and Low-Income Disability Discount intact; however, the schedule is no longer available except to those customers qualified and receiving service under that rate schedule effective January 2, 2023.

Ohop Mutual Light Co.
Ohop will increase the amount given to Low Income Senior Citizens and plans on making donations to an Operation Roundup Program. It will also increase the grant amount allowed under the Operation Roundup Program. The utility will create a Neighbor-to-Neighbor program and a loan program for weatherization. The company will analyze high energy usage accounts on a case-by-case basis checking power bills versus home size to determine if Weatherization will help reduce power bills.

The company will seek out an interpreter for any customers in need of language translation and assistance. It will build "Notes" into customer accounts that will allow the tracking of all CETA related items for each customer. It will also build follow-up tasks related to the program so customers are always in our queue as a reminder.

Pend Oreille County PUD No 1
Pend Oreille County PUD No 1 modified its Neighbors in Need Grant Program in January 1, 2022 to require income verification. Pend Oreille County PUD's current conservation program does not target low-income households, but plans to do so in the future. It will target members of the Kalispel Tribe of Indians, low-income households, and seniors living in poverty. The PUD plans to work with landlords and multi-family housing owners on potential conservation measures. The PUD is considering partnering with Rural Resources to promote these programs.

Pend Oreille County PUD No 1 also reported that it plans to self-fund targeted low-income energy efficiency programs, but hopes that it will have a BPA Energy Efficiency allocation in the near future. It would like to allocate a portion of those funds towards low-income targeted energy efficiency. While the PUD has relied on BPA conservation funding in the past to operate energy efficiency programs, due to the loss of its largest industrial customer in 2020, the PUD has not received additional funding since that time. A future BPA budget will be critical to the success of lowering customer's energy burden and addressing energy assistance need. Last, the PUD is exploring the implementation of an advanced metering (AMI) system, which could allow the PUD to implement pre-paid accounts and time-of-use rates to benefit low-income customers.

Skamania County PUD No 1
Skamania County PUD contracted with a consultant in 2021 to estimate program funding targets and goals to comply with RCW 19.405.120(4)(a)(iii). A mix of short-term (low-income energy assistance) and long-term (conservation, energy efficiency) programs will be explored and expanded to demonstrate progress. The utility is scheduled to implement energy assistance surcharges beginning in 2023 on billing statements. These funds will be restricted to energy assistance programs. The utility plans to increase its efforts to receive donations for high burden energy customers.

COUs incrementally increasing funding or outreach

Benton County PUD No 1
Benton County PUD No 1 plans to continue to provide its short-term billing assistance programs and expects a temporary increase in those customers from the COVID-19 pandemic. It hopes to use this temporary increase in enrollment to sign up more customers for other ongoing energy efficiency programs. Benton County PUD No

1 long-term energy efficiency program funding and participation levels are planned to increase incrementally over the years targeting more low-income customers to further reduce energy burden. The utility is working with its Community Action Council to provide additional funding and increase its low-income energy efficiency program.

Columbia Rural Electric Association
Columbia Rural Electric Association plans to donate funds to local charities for bill assistance and create a zero-cost smart thermostat program.

Elmhurst Mutual Power and Light
Elmhurst Mutual intends to give a larger donation to the Salvation Army to assist members. It is also looking to provide incentives for electric vehicle chargers after installation.

Grays Harbor County PUD No 1
Grays Harbor County PUD No 1 plans to broaden its energy education programs to vulnerable populations and translate its materials with the hope of reaching a broader audience. The PUD will also continue to maintain its programs and specific actions taken in its clean energy implementation plan. It will be updating its program to comply with CETA eligibility requirements.

Inland Power and Light
Inland Power and Light is developing more targeted communications to eligible communities.

Okanogan County PUD No 1
Okanogan County PUD plans to continue and expand its outreach for energy efficiency education and awareness of assistance opportunities. It intends to forge stronger connections with partner agencies, and planning extra presentations to vulnerable populations, such as seniors and low-income households. Okanogan County PUD plans to maintain its donation-based Project Help, contracts for low-income assistance with partner agencies, and educational outreach in its community.

Richland Energy Service Dept.
Staff conducted an energy burden assessment and found that the utility needs a holistic approach that combines conservation and direct assistance will be needed. The city plans to continue to explore options to update or redesign its Low Income Senior Citizens and Disabled Discount, and has increased incentives and low interest loans and marketing to low-income entities.

Parkland Light and Water Co.
Parkland Light and Water Co. plans to increase donations and facilitate outreach and program enrollment. It would also like to add an energy efficiency program.

Tanner Electric Cooperative
Tanner Electric Cooperative aims to give larger donations to the Salvation Army and increase the amount members can receive. It will also offer incentives for electric vehicle chargers after installation.

Vera Power and Water Co.
Vera Power and Water Co. plans to expand its existing programs and will continue to work with its community action agency to establish programs to meet Sec. 120 goals.

Orcas Power & Light Co-Op (OPALCO)
OPALCO plans to scale up its outreach and requests for donations.

COUs evaluating what to do

Ferry County PUD No 1
Ferry County PUD No 1 reported that its service area consists entirely of highly impacted communities containing diverse vulnerable populations. It said that subsidizing the energy burden of any vulnerable population within our service area, will inevitably shift that burden to other vulnerable populations. Before implementing any additional, rate funded assistance programs, the Districts Commissioners have requested that a survey of our customers be conducted to help determine their energy burdens, and better define the need for assistance.

Jefferson County PUD No 1
Jefferson County PUD No 1 is working with consultants to study the current low-income rate discount program and determine paths forward to improve the program. The utility has discussed increasing the income guidelines for qualification, increasing its flat rate discount or moving to a percentage discount, energy efficiency measures, energy audits, and customer education.

Klickitat County PUD No 1
Klickitat County PUD No 1 is currently working to complete an Energy Assistance Need (EAN) assessment. The assessment should include a plan to improve effectiveness of its assessed mechanisms, strategies and obstacles, program offerings, rate and fee considerations, community partnerships, staffing level needs, and vulnerable population needs.

Pacific County PUD No 2
Pacific County PUD No 2 is conducting an Energy Assistance Need (EAN) assessment. The district will undertake planning and implement policies after doing a more in-depth analysis into how energy assistance need can be met while maintaining low electricity rates.

Peninsula Light Co.
Peninsula Light Co. will consider adding a low-income energy efficiency program.

Town of Steilacoom Utilities Dept.
The Town will retain this program and discuss with the Town Council potential options for expanding amounts provided and methodologies. The Town has no energy efficiency programs that directly target households with an identified excess energy burden. Staff will provide some options to the Town Council for their consideration including providing grants to individuals at the federal poverty level or greater to be used in/for our current non-income specific energy efficiency programs.

COUs maintaining programs

Centralia City Lights
Centralia City Light plans to demonstrate progress toward providing energy assistance by holding rates to the minimum increases possible.

City of Cheney Light Dept.
The City of Cheney Light Dept. noted that it will continue to offer its donation-based programs open to all customers and says it does not have additional funding to implement more programs, and will explore funding opportunities.

City of McCleary

The City of McCleary recognizes the need for low-income housing assistance programs and has developed an outline of the various funding sources available to its customers. Current funding available to customers is derived from federal funds passed down through third party program providers such as LIHEAP, administered by Coastal Community Action Program in Grays Harbor County. Tribes also have aided its members to help pay electric bills, in addition to other nonprofit programs. It is important to note that without these funded assistance programs, the City's budget does not have capacity to fund a low-income energy assistance program on its own without having to significantly raise rates.

City of Port Angeles

Port Angeles is in the exploring/investigative phase of meeting the requirements of RCW 19.405.120(4)(a)(iii). As a small rural community of about 10,000 households, staff at the City do not have the bandwidth nor resources to hire outside experts. Staff are talking to other electric utilities to develop a strategy to move forward and meet RCW requirements. Staff are also exploring funding opportunities from State and Federal resources. These external funding sources will likely be one-off or short term in nature. The goal would be to use these short-term funding mechanisms to increase energy efficiency to produce a long-term reduction in energy burdens.

Ellensburg Energy Services Department

The City plans to continue its collaboration with its local community action agency (CAA), HopeSource, to provide energy conservation education and energy efficiency project funding to reduce customer's energy burden in the long term.

Franklin County PUD No 1

Franklin County PUD No 1 focused on residential insulation in its service territory. It added a Spanish speaking specialist to help explain the program and process to customers. Franklin County PUD No 1 employees met with customers and walked them through its low-income program. Franklin County PUD No 1 has also promoted its low-income to multifamily housing allowing landlords to take advantage of the program, which ultimately benefits our customers. Franklin County PUD's main funding for its conservation program is through the Bonneville Power Administration. Utility funding is also budgeted and utilized to ensure as many customers as possible can utilize the program.

Grant County PUD No 2

Grant County PUD No 2 intends to continue its Home Energy Assessments. Each audit will consist of a survey, energy inspection, energy saving recommendations, tips on ways to save energy, information on assistance programs, direct install of LED light bulbs, weather stripping replacement, blower door and duct testing, if applicable. The PUD will work with contractors for upgrades such as insulation, duct sealing and thermostat replacement.

Mason PUD No 1

Mason PUD No 1 reported that it does not have capacity to fund a low-income energy assistance program on its own without significantly raising rates.

Modern Electric and Water Co.

Modern Electric and Water Co. said its Executive team has committed to short-term and long-term assistance for its customers.

Town of Ruston Utility Dept.

The town plans to continue its assistance program for senior and disabled low-income households. .

COUs without plans

Alder Mutual Light Co.
Alder Mutual Light Co. has not submitted any CETA reports to Commerce.

Blaine City Light
Blaine City Light has not submitted a low-income energy assistance report to Commerce and is evaluating what to do.

City of Coulee Dam Light Dept.
The City of Coulee Dam Light Dept. reported it does not currently have a plan.

City of Milton
The City of Milton did not submit an energy assistance report to Commerce.

Lakeview Power and Light
Lakeview Power and Light did not complete the "Plan to Increase Effectiveness" or "Outreach and Targeting" sections of the report.

Nespelem Valley Electric Co-op
Nespelem Valley Electric Co-op has not submitted an energy assistance report to Commerce. When reached by phone, the utility manager said the utility does not have a utility funded program other than its BPA energy efficiency program, which currently does not track participation of low-income households.

Sumas Utilities
Sumas Utilities did not complete this portion of the report.

Town of Eatonville
The Town of Eatonville has not submitted a low-income energy assistance report.

COUs establishing their first programs

Benton Rural Electric Association
Benton Rural Electric Association's program, called Power to Care, allows members to round up their monthly electric bill to the nearest dollar, donating the spare change to a fund that helps fellow members pay their past-due electric bills. In addition, the coop plans to increase the income qualification requirements for its low-income senior and disabled program.

Big Bend Electric Cooperative
Big Bend Electric Coop has expanded its energy efficiency programs to include low-income weatherization offerings. It is offering the program with local CAAs. Eligible households will benefit by having windows, doors, HVAC, insulation, water heaters and smart thermostats installed. Big Bend has also created its first low-income direct bill assistance program.

City of Chewelah
Chewelah’s program began in July 2021. It is using Rural Resources to determine household eligibility and distribute funds. Rural Resources will provide demographic information and overall need as the program progresses. It will start collecting data about its vulnerable populations. Its programs have been focused on avoiding shutoffs.

Kittitas PUD No 1

Kittitas PUD is providing a monthly discount on its facility fee to anyone who has received a LIHEAP award in the previous program year. The discount started at $1 per month in July 2021 and a PUD application was required. The Board increased it to $10 per month in October 2022 and anyone who received a LIHEAP award is automatically enrolled without having to complete a separate PUD application.

Okanogan County Electric Coop

Okanogan County Electric Coop reported administering a BPA energy efficiency program and a donation based program. It did not have any participation information for the donation program. The coop plans to create a low-income energy efficiency program with its CAA.

Electric utilities with no residential customers

Asotin County PUD No 1 and Whatcom County PUD No 1 have no residential customers.

Electric utilities organized under Idaho law

Northern Lights Incorporated, Kootenai Electric Cooperative, and Clearwater Power Company serve Washington customers, but also are organized under Idaho law. They have asserted they are not subject to CETA.[38]

[38] Idaho cooperatives' letter to Washington AG regarding CETA requirements.pdf | Powered by Box

Appendix G: Additional details about IOU programs

Commerce was asked by IOUs and the public to supplement the Low-Income Energy Assistance Report and Appendix F with additional material detailing changes to their programs since 2020.

Commerce invited IOUs to submit additional materials and provided the Utilities and Transportation Commission (UTC) and other interested parties the opportunity to review the document.

Consumer-owned utilities were also invited to submit additional information about programmatic changes since 2020 and planned changes. The survey results are included in Appendix F.

Advisory groups

The UTC requires each utility to facilitate a low-income advisory group. Both PacifiCorp's and PSE's groups are called the Low-Income Advisory Committee, or "LIAC", Avista Corp's is referred to as the Energy Assistance Advisory Group, or "EAAG." The membership of these groups consists of organizations representing low-income customers including Public Counsel, The Energy Project, the Northwest Energy Coalition, representatives of the Community Action Agencies that each utility works with, and members of the Dept. of Commerce. These groups advise the utility on the design and implementation of low-income programs.

Low-income issues also frequently arise in the conservation, energy efficiency, and demand-side management advisory groups, which are conducted quarterly by each gas and electric utility.

Under WAC 480-100-655, the UTC required each electric utility to convene an equity advisory group (EAG). Utilities are directed, under the UTC's CETA Rulemaking Order in Docket UE-191023 and UE-190698 to "encourage and include the participation of environmental justice and public health advocates, tribes, and representatives from highly impacted communities and vulnerable populations in addition to other relevant groups."

CETA requires the EAG to advise the utility on equity issues including, but not limited to, vulnerable population designation, equity customer benefit indicator development, data support and development, and recommended approaches for the utility's compliance with WAC 480-100-610 (4)(c)(i).

RCW 80.28.060 requires each utility to engage with both of these advisory groups on implementation of the statute.

Research and reporting

Each utility conducts research and annual low-income program reporting consistent with UTC rules and orders.

PSE (Docket U-180680), and Avista (Dockets UE-010436 and UG-010437) have both recently conducted Low-Income Needs Assessments (LINA). All three companies - PSE (UE-011570 and UG-011571), Avista (UE-010436 and UG-010437), and PAC (UE-19024) annually file a report with the UTC on low-income program outcomes. All three companies - Avista (UE-010436 and UG-010437) PSE (UE-190529), and PAC (UE-19024)

also recently filed disconnection reduction plans with the UTC. PSE and PacifiCorp have both recently undertaken energy burden analyses.

IOU bill assistance program types

Ratepayer assistance
Each utility maintains a program under a specific tariff to assist low-income customers. The program year for these programs runs from October 1 through September 30 to match the federally funded Low Income Home Energy Assistance (LIHEAP) program year. The funding level for these programs is set through rate cases, and the cost of these programs is recovered from ratepayers.

Donation-funded assistance
Each utility also maintains a supplemental donation-based energy assistance program (PSE's Warm Home Fund which is administered by the Salvation Army, Avista's Project Share, and PacifiCorp's Project Help program). These programs are much smaller compared to the utility-funded assistance programs and have less strict requirements.

COVID-19 assistance
Under Order 01 of Docket U-200281, each utility regulated by the UTC was directed to make assistance available to customers affected by the COVID-pandemic. Order 01 directed utilities to establish a temporary COVID-19 assistance program (consisting of 1% of Washington retail revenue) for residential customers with income up to 200 % of FPL and an annual maximum award amount of $2,500 per household. The program provided relief to customers who experienced economic hardship due to the pandemic.

Recent developments

The electric IOUs are subject to CETA, and all of the IOUs are subject to RCW 80.28.068. As discussed in the report, these laws both included sections pertaining to low-income assistance programs.

To clarify the UTC's interpretation of how these new laws interact with each other, the UTC developed policy guidance for the electric utilities in Docket U-200629. The guidance specified that electric utilities must make two assistance programs available, including one that is readily available to all low-income customers. The guidance also clarified that the threshold for low-income is 80% AMI or 200% FPL, whichever is higher.

Each electric utility has made programs available including at least one to customers at the higher of 200% FPL or 80% AMI.

RCW 80.28.068 includes a requirement to seek approval and input on program design and implementation from the LIAC and EAG. PacifiCorp has implemented a bill discount program, and the other two electric utilities and the two natural gas utilities' bill discount programs are in development with each utility's LIAC. PSE and Avista agreed to file their discount rate and arrearage management plan (AMP) program designs for UTC

Example of the benefits of a low-income need assessment

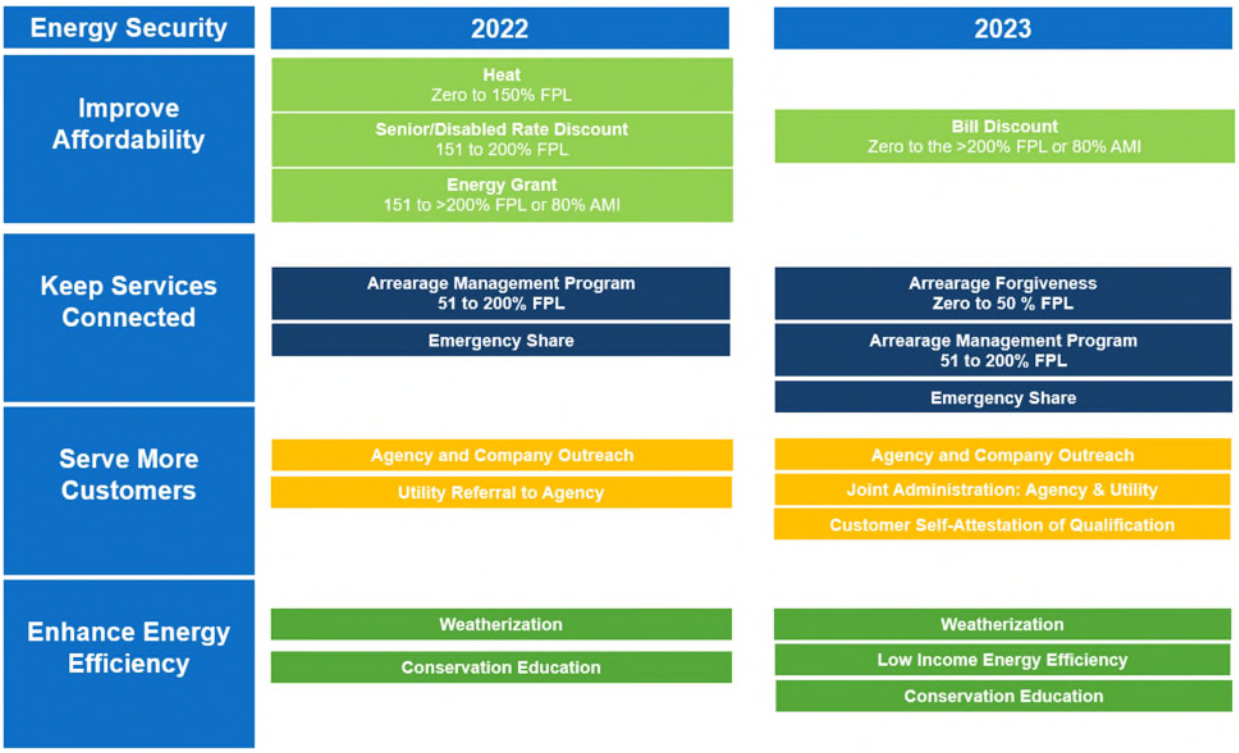
Low-income needs assessments are an integral part of IOU programs.

For instance, PSE's LINA provided numerous maps of income eligible customers within PSE's service territory, identified underserved communities and vulnerable populations based on a variety of data inputs. These findings serve as a toolset for PSE to create future strategies, and data to advance and support the objectives of CETA.

To further support the objectives of CETA, PSE completed an Energy Burden analysis. This analysis tracks energy burden at the household level, for all customers, which is unique among IOUs. PSE will update the data monthly to track customer-level changes.

approval by July 1, 2023. Avista agreed to implement both programs on October 1, 2023, while PSE agreed to implement its bill discount program on October 1, 2023, and its AMP on October 1, 2024. Both utilities are continuing to work with their LIACs to determine program details before filing the programs for UTC approval. Proposed changes are discussed in more detail in Appendix F.

Avista Corp



Bill assistance

Avista's Low Income Rate Assistance Program (LIRAP) has been in place for many years. Avista's LINA showed a 93% subscription rate in the 2019-2020 program year.[39] The program penetration rate for that same year ranged by county, peaking at 24%. [40]

The goals of LIRAP include:

- Reducing energy burden
- Keeping customers connected to services
- Serving more customers
- Collecting and analyzing data to demonstrate the program's effectiveness

The recent enactment of CETA and RCW 80.28.068 required changes to program offerings. In 2021, Avista began offering an Energy Grant for up to the higher of 200% FPL or 80% AMI to comply with these changes.

To comply with the conditions of the aforementioned laws, Avista, with the support of its EAAG and newly formed Equity Advisory Group (EAG), proposed as part of a 2022 general rate case, changing LIRAP from a

[39] Subscription rate means % of program funds that are subscribed, this what percent of funding was distributed.
[40] Penetration rate means what % of customers that are eligible are participating in the program.

grant-based program to a bill discount program for income qualified customers up to the greater of 200% FPL and 80% AMI.

To provide ease in access to the program, customers can qualify by self-attestation of household income to either their local Community Action Programs (CAP) or to Avista. Following more work with its advisory groups and pending UTC approval, the bill discount with arrearage assistance is anticipated to begin on October 1, 2023.

Additionally, the enactment of CETA inspired Avista to broaden administration of LIRAP and invite local tribes to administer program. In 2021, the Spokane Tribe of Indians became a partner in the delivery of the program to individuals residing on the tribe's reservation, in addition to the six CAPs that have been administering the program since its inception in 2001.

Energy efficiency

Avista has a history of providing access to energy efficiency programs for both regular and income qualified customers for over 50 years.

Regular income customers may receive a rebate for energy efficiency improvements that are made to a home, including space and water heating, building envelope, and appliances. Income qualified customers receive services for free from the local CAPs for weatherization to the building envelope as well as other space and water heater upgrades and a variety of health, safety, and repairs.

A customer's income must be below 80% AMI to qualify. Avista partners with eight CAPs to deliver these services that includes work done by a Tribal Housing Authority. Property owners and managers of multifamily housing can receive the direct installation of LED lamps and faucet aerators in their tenant spaces at no charge. Avista Energy Efficiency Advisory Group (EEAG) meets regularly to discuss program ideas and implementation.

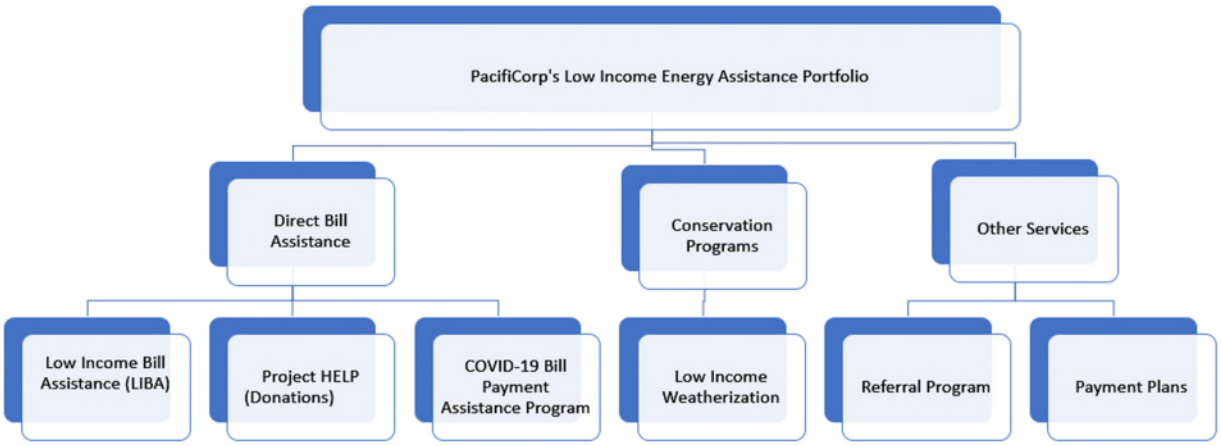
Future program offerings include:

- Equity Advisory Group identified projects
- Multifamily – focus on tenant/renter benefits
- Mobile homes – focus on health and safety improvements
- Single family weatherization – identify new approach to serve these homes
- Businesses that serve Named Communities – non-profit/civic/community organizations that need efficiency improvements to continue serving their constituents

Energy efficiency program planning will occur across the following building types:

- Multifamily housing
- Mobile homes
- Single family weatherization
- Businesses that serve Named Communities, which would include tribal members and their businesses

PacifiCorp



PACIFICORP
POWERING YOUR GREATNESS

Bill assistance

PacifiCorp's Low-Income Bill Assistance (LIBA) discount program has been available through Schedule 17 since November 2003. The discount program is designed to reflect the energy burdens borne by income eligible households through three qualifying credit levels with the largest discount provided to customers with the lowest income.

LIBA was previously designed to provide credits to income eligible households on monthly usage over 600 kWh and included an annual enrollment cap. To comply with RCW 80.28.068 and CETA, PacifiCorp proposed revisions to LIBA, which changed the discount program from a per kWh credit for usage in excess of 600 kWh to a straight percentage discount on a customer's monthly bill.

PacifiCorp also proposed to remove the annual enrollment cap and expand Tier 3 income guidelines in compliance with RCW 19.405.020(25). The Washington Utilities and Transportation Commission (UTC) approved these changes effective August 1, 2021.

Program participants are certified as eligible for a one-year period, and a two-year period for households on fixed income, and discounts are provided year-round.

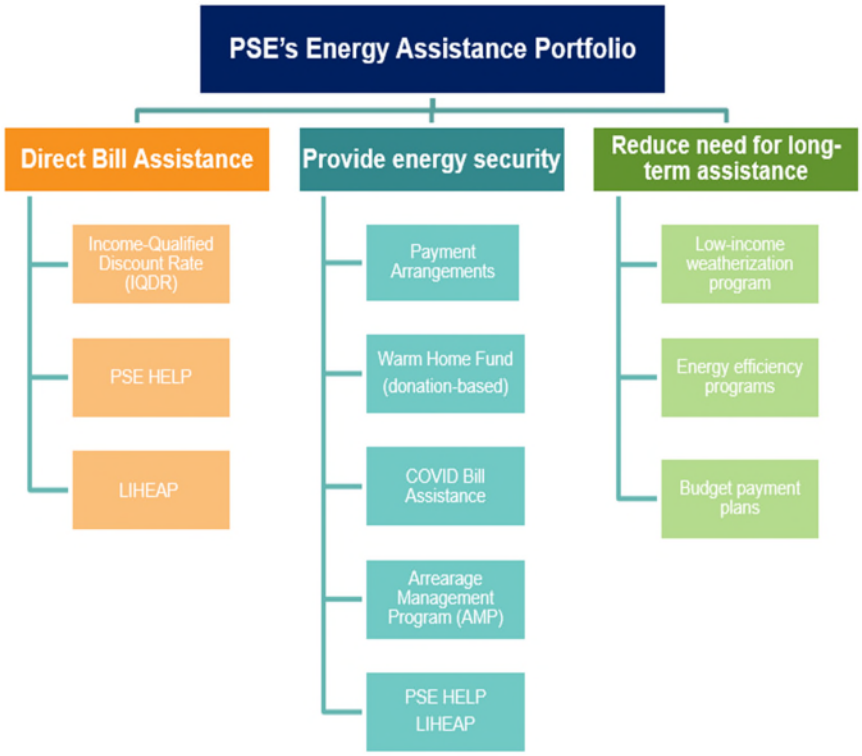
Energy efficiency

PacifiCorp partners with four local agencies to provide no cost weatherization services to income-qualified homeowners and renters living in single-family homes, mobile homes, or apartments leveraging company and state funds. Local partner agencies certify customers according to agency procedures.

In December 2021, PacifiCorp proposed changes to expand income guideline consistent RCW 19.405.020(25) and expand tariff applicability for installation of ductless heat pumps and major measures to include, in

addition to permanently installed operable electric space heating, space heaters or any fuel source except natural gas with adequate combustion air. In addition, PacifiCorp increased reimbursement of repair cost in an effort to reduce deferred homes and to increase number of households served. The UTC approved the proposed tariff revisions effective February 1, 2022.

Puget Sound Energy



Bill assistance

PSE's current bill assistance program, PSE HELP, is a grant-based program administered by CAP agencies which offers a certain amount to all eligible low-income customers and has been in place since June of 2002.

In PSE's 2020 Disconnection Reduction Plan, the utility noted that the percentage of funding distributed to customers compared to the amount of funding allocated to these programs is declining, saying "58% of assistance funds allocated being awarded to customers in 2019-2020. For comparison, 87% of allocated funds were awarded to customers in 2015-2016." Additionally, PSE's LINA found that 202,000 households in the utility's service area qualified for energy assistance, but in the 2018-2019 program year, only 34,000 households participated in bill-assistance.

To address these challenges, in 2021, PSE, with the support of its low-income advisory group, used data estimation to proactively distribute arrearage forgiveness to customers who had not previously applied for assistance but were likely qualified (Dockets UE-210792 and UG-210793).

In 2022, PSE increased eligibility for HELP from 150% FPL to the higher of 80% AMI or 200% FPL to comply with the CETA definition of low-income. To comply with RCW 80.28.060, PSE is proposing to add a discount program and an arrearage management program that will begin October 1, 2023, and October 1, 2024,

respectively. PSE anticipated joint administration of the bill-discount program with CAP agencies and self-attestation.

Energy efficiency

With respect to energy efficiency measures, PSE has:

- Adjusted several low-income weatherization measures in 2022 and 2023 to account for Seattle-area inflation rates
- Added and increased Efficiency Boost incentives for moderate income, single-family customers
- Adjusted incentives for Multi-Family New Construction in the affordable housing sector
- Created a moderate-income tier for the Multi-Family Retrofit program in 2022
- Added and updated Home Energy Reports to serve low to moderate income customers with assessments of their consumption relative to similar neighboring homes and offer personalized tips on how to save energy based on their energy usage and house profile

Appendix H: Relatively non-standard COU outreach and enrollment campaigns

Below are some examples of relatively non-standard COU outreach and enrollment strategies. IOUs deploy many of these outreach strategies and enrollment campaigns.

Benton PUD No 1
Benton PUD No 1 intends to use the Washington State Environmental Health Disparities Map to target outreach to vulnerable populations.

Clark County PUD No 1
Clark County PUD No 1 created a data-driven dashboard to identify energy burdened customers and target those customers with long-term, no-or-low cost conservation programs. Through its CEIP outreach efforts it learned there is a need for multi-lingual energy conservation brochures and materials; staff intend to develop and use these materials to advertise and promote program opportunities to households who speak English as a second language.

Staff intends to utilize the Department of Health's environment and health disparity mapping tool to develop targeted programs that improve indoor air quality. Additional information can be found in its 2022-2025 CEIP.

Chelan County PUD No 1
Chelan County PUD No 1 will be prioritizing its energy assistance programs on sustained energy burden reduction by offering energy efficiency upgrades to high energy burdened households. It aims to target geographical areas in the county where there are a large percentage of customers who have a high energy burden, then market low cost energy saving measures followed by more costly weatherization services.

Cowlitz County PUD No 1
Cowlitz County PUD reported that it will recently collect customer demographic data to target promotions to low-income households and vulnerable populations. The utility aims to host assistance fairs with local agencies and educational workshops in the community to increase community knowledge about energy efficiency, including proper operation and maintenance of household appliances and heating systems.

Grays Harbor PUD No 1
Grays Harbor PUD No 1 intends to use fairs and workshops to increase awareness about energy efficiency programs, and expand outreach to more diverse populations.

Richland Energy Services
Richland Energy Services reported it has not specifically targeted outreach or services to low-income households or vulnerable populations in the past. It reported that it would evaluate the following strategies for enrolling low-income households and vulnerable populations:

- Using a trusted source to bring information about efficiency opportunities, including community organizations, schools, faith organizations, and individuals within the community.
- Seeking out ways to qualify participants for income-limited offers without asking for income and address verification.
- Designing offers such that participant benefits outweigh the costs, both dollars and time, and perceived risks, such as providing address or identification.
- Evaluate both the benefits and costs from the participant perspective.

- Simplify the demands of program participation, for example by reducing the complexity of applying, the time required, and by clearly and simply communicating what is being offered.
- Develop offers in which the benefits are felt immediately and any payback is as short as possible
- Partner with community organizations in design and delivery of efficiency offers.
- Conduct outreach about offers through multiple channels, meeting potential participants where they are
- Communicate all offers in the language in which people are most comfortable.

Seattle City Light

Seattle City Light reported using 2020 to develop a targeted mapping campaign to address the likely under-enrollment of historically underserved areas within its service territory. The campaign launched in 2021. The utility purchased ad time and space with various ethnic media outlets and ran print and online ads in languages of the top three prioritized groups: Spanish, Vietnamese and Traditional Chinese. Seattle City Light reported that evaluating its outreach and community engagement strategies across its low-income energy assistance programs is a top priority for 2022, and it intends to use the results from its 2021 ad campaign to inform program improvements.

Snohomish PUD No 1

Snohomish PUD No 1 plans to enlist more partnerships with community stakeholders and agencies serving low-income customers. Examples of this work include partnerships with local CARES and ARPA grantees to market our programs in tandem with the customers they are identifying and verifying for other services. Snohomish PUD No 1 is planning to enlist partnerships with schools to identify households participating with free and reduced lunch program to increase opportunities with the most highly burdened in our community. It is preparing another cycle of customer feedback regarding its programs. It plans to send online surveys and conduct direct customer interviews to get feedback on its programs.

Tacoma Power

Tacoma Power plans to use the City of Tacoma's Equity Index as a tool to help identify vulnerable populations. It intends to begin directing communications and marketing efforts for electrically heated program assistance and conservation opportunities to these communities.

Appendix I: List of outreach and enrollment strategies

Below is a list of different types of outreach enrollment campaigns reported by utilities in 2019-20 utility assessments. It is merely an aggregation of strategies and is not a list of suggested best practices.

Outreach methods

- Word of mouth
- Audio messages
    - Phone calls
    - On-hold phone messaging
    - English and Spanish radio stations
- Paper
    - Bill inserts
    - Newsletters
    - Magazines
    - Door hangers
    - Rack cards
    - Flyers
    - Posters
    - Application packets
    - Surveys to identify potential new programs and make decisions on new program offerings
- Digital
    - Email marketing
    - Digital banners that target audiences by zip code
    - Social media
    - Surveys to identify potential new programs and make decisions on new program offerings

Outreach partners

- CAP agencies
- Food banks
- Affordable housing providers
- Health departments
- Human services
- Schools and Head Start
- Libraries
- Churches
- Adult activity centers
- Senior community centers
- Local vendors
- Movie theaters
- Movie theaters in bilingual communities
- Veterans Associations
- DSHS

Enrollment Campaigns

- Targeted outreach and enrollment in manufactured and mobile home communities
- Customer appreciation days
- Energy saver gifts plus
- No-cost door-to-door home energy assessments
- Small business direct install initiatives
- Door-to-door residential and small commercial assessments and free direct install
- Landlord and tenant enrollment campaigns

Community Engagement

- Workshops
- Community roundtable events with community organizations serving low-income and vulnerable populations
- Customer review board meetings where the board provides input on various projects and initiatives, including communications (Lewis County)
- Low-income and equity advisory boards (IOUs)

Appendix J: Bill reductions and program costs

The tables below show utility funded program bill reductions and total costs with and without donations for their low-income programs and programs when income information is known. The total number of residential customers is used to get a general sense of utility size. The total number of low-income households in each utility service territory is unknown.

Residential customer data was collected through the EIA 861 form.

2020 Program Bill Reductions and Total Costs without Donations

Utility	Residential Customers	% of Residential Customer Count	Bill Reductions	% of Total Bill Reductions	Program Expenditures	% of Program Expenditures
Puget Sound Energy, Inc	1,039,596	33%	$15,999,742	18%	$25,524,843	22%
Seattle City Light	426,359	13%	$44,512,418	49%	$48,697,985	42%
Snohomish County PUD No 1	327,512	10%	$9,687,444	11%	$11,318,003	10%
Small COUs (>25k)	280,666	9%	$1,210,960	1%	$1,825,000	2%
Avista Corp	232,273	7%	$6,898,245	8%	$12,230,016	10%
Clark County PUD No 1	197,576	6%	$1,322,870	1%	$1,801,546	2%
Tacoma Power	162,367	5%	$3,627,787	4%	$4,234,979	4%
PacifiCorp	111,293	4%	$2,649,337	3%	$3,306,802	3%
Benton County PUD No 1	47,856	2%	$606,578	1%	$774,668	1%
Cowlitz County PUD No 1	45,721	1%	$234,728	0%	$538,250	0%
Chelan County PUD No 1	39,781	1%	$127,284	0%	$227,116	0%
Grant County PUD No 2	39,638	1%	$243,253	0%	$350,346	0%
Grays Harbor County PUD No 1	37,941	1%	$1,323,007	1%	$1,331,422	1%
Inland Power & Light Company	37,782	1%	$53,319	0%	$114,567	0%
Peninsula Light Company	34,013	1%	$519,316	1%	$647,316	1%
Mason County PUD No 3	32,259	1%	$1,202,858	1%	$2,033,326	2%
Clallam County PUD No 1	29,572	1%	$460,611	1%	$1,020,028	1%
Lewis County PUD No 1	27,512	1%	$258,253	0%	$493,750	0%
Franklin County PUD No 1	25,881	1%	$275,352	0%	$498,130	0%

Including donations as part of bill reductions and total program costs has little effect on the distribution of bill reductions and program expenditures across utilities.

2020 Program Bill Reductions and Total Costs including Donations

Utility	Residential Customers	% of Residential Customer Count	Bill Reductions	% of Bill Reductions	Total Program Spending	% of Program Spending
Puget Sound Energy, Inc	1,039,596	33%	$16,854,397	17%	$26,506,076	21%
Seattle City Light	426,359	13%	$44,712,431	44%	$48,997,997	40%
Snohomish County PUD No 1	327,512	10%	$13,948,223	14%	$15,747,182	13%
Small COUs (>25k)	280,666	9%	$1,357,840	1%	$2,005,089	2%
Avista Corp	232,273	7%	$10,056,828	10%	$12,246,050	10%
Clark County PUD No 1	197,576	6%	$1,662,612	2%	$2,260,768	2%
Tacoma Power	162,367	5%	$3,677,126	4%	$4,291,996	3%
PacifiCorp	111,293	4%	$2,708,023	3%	$3,407,958	3%
Benton County PUD No 1	47,856	2%	$633,378	1%	$807,650	1%
Cowlitz County PUD No 1	45,721	1%	$238,603	0%	$588,145	0%
Chelan County PUD No 1	39,781	1%	$167,689	0%	$227,116	0%
Grant County PUD No 2	39,638	1%	$243,253	0%	$356,316	0%
Grays Harbor County PUD No 1	37,941	1%	$1,326,873	1%	$1,335,288	1%
Inland Power & Light Company	37,782	1%	$53,319	0%	$114,567	0%
Peninsula Light Company	34,013	1%	$519,316	1%	$647,316	1%
Mason County PUD No 3	32,259	1%	$1,369,621	1%	$2,181,884	2%
Clallam County PUD No 1	29,572	1%	$460,611	0%	$1,020,028	1%
Lewis County PUD No 1	27,512	1%	$258,253	0%	$493,750	0%
Franklin County PUD No 1	25,881	1%	$275,352	0%	$498,130	0%

Appendix K: 2030 and 2050 funding levels assessment

RCW 19.405.120(4)(a)(iii) requires electric utilities to submit biennially to Commerce an assessment of previous funding levels for energy assistance compared to the funding levels needed to meet:

- 60% of the current energy assistance need, or increasing energy assistance by 15% over the amount provided in 2018, whichever is greater, by 2030
- 90% of the current energy assistance need by 2050

As explained in Appendix B, energy assistance need means the amount of assistance necessary to achieve an energy burden at or below 6% for utility customers.[41] While this metric quantifies the amount of assistance needed to reduce residential energy bills relative to household income, it does not quantify whether low-income households can or cannot pay their residential energy bills, in which case they would be in need of energy assistance to balance their household budget.

About a dozen electric utilities completed RCW 19.405.120(4)(a)(iii). Thinking electric utilities may have missed this section, Commerce provided utilities the opportunity to resubmit this section. Commerce provided multiple reminders to electric utilities and provided at least two extensions to submit these numbers. Commerce received 19 funding level assessments.

The assessments were conducted using what appears to be at least six different methodologies.

Utility	2020 funding levels w/o donations: This includes all program costs, not direct benefits to all low-income customers. It is unknown whether these funds reduced burden for customers with an energy burden greater than 6%.	2030 Funding Level Based on Energy Assistance Need (that is, funding levels needed to reduce energy burden in excess of 6% for low-income households in a utility's service territory by 60%)	2050 funding level needed to serve 90% of energy assistance need (that is, funding levels needed to reduce energy burden in excess of 6% for low-income households in a utility's service territory by 90%)
Avista Corp	$15,404,633	$14,900,000	$22,300,000
Benton Rural Electric Association	$59,876	$102,481	$153,722
Big Bend Electric Cooperative	-	$106,163	$159,244
Chelan County PUD No 1	$227,116	$2,500,000	$4,400,000
City of Richland	$687,880	$900,000	$1,350,000
Clallam County PUD No 1	$1,020,028	$3,289,446	$4,934,169

[41] WAC 194-40-030:

Utility	2020 funding levels w/o donations: This includes all program costs, not direct benefits to all low-income customers. It is unknown whether these funds reduced burden for customers with an energy burden greater than 6%.	2030 Funding Level Based on Energy Assistance Need (that is, funding levels needed to reduce energy burden in excess of 6% for low-income households in a utility's service territory by 60%)	2050 funding level needed to serve 90% of energy assistance need (that is, funding levels needed to reduce energy burden in excess of 6% for low-income households in a utility's service territory by 90%)
Clark PUD No 1	$2,197,809	$6,000,000	$9,000,000
Cowlitz County PUD No 1	$588,145	$2,904,000	$4,356,000
Douglas PUD No 1	$60,000	$140,000	$230,000
Elmhurst Mutual Light Co.	-	$91,454	$137,181
Grays Harbor County PUD No 1	$1,335,288	$681,733	$1,704,333
Lewis County PUD No 1	$343,904	$308,126	$462,189
Inland Power and Light	$114,567	$706,376	$1,059,563
Mason PUD No 3	$2,181,184	$2,340,000	$3,510,000
Okanogan PUD No 1	$30,139	$209,589	$314,383
PacifiCorp	$3,402,958	$9,000,000	$15,000,000
Puget Sound Energy	$26,506,076	$56,400,000	$84,600,000
Tacoma Power	$3,556,627	$1,190,408	$621,088
Town of Steilacoom	-	$24,700	-

Appendix L: Consultations with tribes

Below are summaries of utility responses to the requirement in RCW 19.405.120(4)(a)(iii), which requires utilities consult with tribes as appropriate.

IOUs

IOUs reported they continue to develop relationships with staff of tribal governments and community organizations for more consistent and efficient communication about utility energy assistance programs.

PUDs

Mason County PUD No 1 and Klickitat County PUD No 1 reported they regularly work with tribes. Pend Oreille County PUD No 1 noted that the Kalispell Tribe is a highly impacted community and will be a partner for future conservation programs. Clallam PUD No 1 met with three tribes to discuss CETA and program development. It invited tribes to follow-up with the utility afterward. It has not received any further input.

Grays Harbor PUD No 1 reported it continuously works to develop outreach methods and community partnerships, which target all populations in its service territory. Okanogan County PUD No 1 reported many tribal nations have their own programs. It periodically receives funding from tribes to cover tribal member accounts. Okanogan County PUD No 1, the tribal health department, and a neighboring cooperative collaborated to create a joint newsletter during the pandemic about energy assistance program offerings.

Cowlitz PUD No 1 does not contain designated Census tracts for tribal lands, but also has many tribal members as electric customers. Cowlitz PUD's outreach strategy going forward is to work with Cowlitz Tribe Member Support Services to identify customers with high energy burden and maximize their participation in both direct assistance and energy conservation programs.

Municipal utilities

Tacoma Power reported that it has reached out to Puyallup Tribal Housing and the Kwawachee Counseling Center. It plans to continue reaching out to the tribes in its service area.

The Town of Coulee Dam reported many of its customers qualify for help from the Colville Confederated Tribe of Indians and Bureau of Indian Affairs.

Cooperatives

Commerce did not find any discussion of consultations with tribes in the assessments of electric cooperatives. Many cooperatives do not have tribes in their service areas, according to the Department of Health's Environmental Health Disparities Map.[42]

[42] https://doh.wa.gov/sites/default/files/2022-08/UtilityCETACIADataFile820-128August242022.csv?uid=6344b129037a7

Appendix M: Notes from advisory meeting on data dashboards

Empower Dataworks

Utility data

- Rely on customer system information (account and monthly billing data)
- Arrearages
- Late payment or disconnection notices
- Conservation potential studies
- Energy assistance program data
- Low-income weatherization program data

Customer-information

- Customer demographic data (typically purchased through third parties)
- Customer and stakeholder interviews
- Community action agency data, typically LIHEAP data
- County assessor data for building information
- Publically available voter registration data

Capabilities

The Empower Portal allows utilities to view:

- The number of low-income households
- Energy assistance need
- Program spending
- Program participation
- Building types
- Customer segments (e.g., renter or owner)
- Forecast
- Performance metrics for the programs
- Energy efficiency potential

Challenges working with purchased third-party data include:

- You can typically get data for about 75% of customers in a service territory; the remaining 25% must be imputed.
- The data can become outdated quickly, particularly in communities experiencing a lot of growth.
- The data is typically reliable for 70-80% of customers; it is more reliable when viewed at an aggregate level than at the customer level.

Avista Corp

Avista Corp contracted with Empower Dataworks to help conduct its Sec. 120 assessment and has since folded its data into a broader data dashboard on CETA's low-income and equity provisions.

Avista Corp has identified five sources of income data with varying levels of accuracy, including:

- Customer verified

- Program verified
- Customer-matched with third-party data
- Block groups
- Census tracts

Puget Sound Energy

Data dictionary

- Income data
- Customer-level
    - Combination of Experian (third-party data) (90%)
    - Program data or other customer reported data (10%)

American Community Survey Data

- Dwelling Data
    - Premise-level
    - Combination of ATTOM & NAICS codes
- PSE internal Data
    - Customer-level
    - PSE bills, usage, customer type, past-due amounts, etc.
- DOE LEAD Tool
    - Census tract level
    - Estimates of other energy usage
- Other Data Sources
    - Geographic level
    - Risk factors associated with Named Communities

Data Palette: Synthesis

- PSE developed a methodology for matching DOE LEAD Tool data to estimate non-PSE energy bills for PSE's customers.
- The PSE data found that within each Census tract energy burden tends to reflect right-skewed shape. As a result, talking about "average" energy burden within any geography is misleading. It can track changes in energy burden over time.
- PSE has also created a scenario simulator to better understand the effect of utility policies on energy burden and exogenous factors to understand how its policies impact the energy burden of its customers.

Tacoma Power

Data dictionary

- U.S. Census: American Community Survey data for demographics
- County Assessor data
- Crime and nuisance indexes
- Urban tree canopy

- Voter participation
- Electric utility data
- Conservation potential assessment

Challenges have included:

- Irregular boundaries that do not fit Census tracts
- Multi-heating fuel types
- Large population of single-family renters