

# Low Income & High Energy Burden Program Update

**5/3/2021**

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Josh Mitchell  
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**No Decision Required, Feedback Requested**



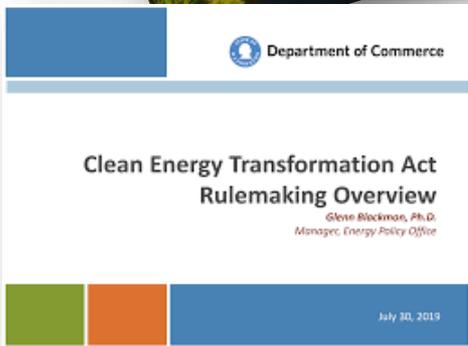
# Why We Are Here

- Review Clean Energy Transformation Act schedule
- Assess program options by funding level and customer benefits
- Review outside funding sources
- Provide program recommendation



# Program Purpose

- Support Strategic Plan: Reduce impact of rate increases on customers with low incomes
- Support meeting Clean Energy Transformation Act (CETA) targets: Encourages utilities to meet 60% of current unmet need (est. \$665,000) by 2030
- Reduce energy insecurity, minimize shut-offs, and “heat-or-eat” situations



# Clean Energy Transformation Act (CETA)

## Pre and Post 2030 Targets(19.405.120)

- Encourages utilities to make progress toward making energy assistance funds available to low-income households.
- Two requirements:
  - Must make programs and funding available for energy assistance to low-income households by July 31, 2021, with priority given to low-income households with a higher energy burden.
  - Submit biennially (starting February 2022) to Commerce an assessment of:
    - The programs and mechanisms used
    - The outreach strategies used
    - An assessment comparing funding levels compared to the funding levels needed to meet: (A) 60% of need (or 2018 +15%), whichever is greater, by 2030; and (B) 90% of need by 2050.

# Energy Burden Program Tiers

## Expanded

Heating, cooling (HVAC) measures



Deepest benefits



Greatest bill savings (10-40%)



Requires community investment

## Medium

Appliance replacement and weatherization measures



Better benefits



Greater bill savings (5-10%)



Requires community investment

## Light (current)

Light touch direct- or self-install measures



Cost-effective



All homes can benefit



Builds relationships



Modest bill savings (1-5%)

*Community investment* is the cost beyond market value.

# Low Income Advisory Group Key Takeaways



Lead with appliances



Start with homeowners



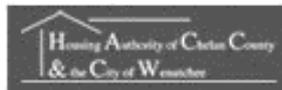
Landlord participation in previous cost-sharing programs low or zero

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## Low Income Advisory Group active members:



**Rosy Gutierrez**  
WIC supervisor  
(Special Supplemental Nutrition Program for Women, Infants, and Children) at CVCH



**Alicia McRae**  
Director of the Housing Authority of Chelan County & the City of Wenatchee



**Liz Hurtado**  
Energy Assistance Program Coordinator at Upper Valley MEND

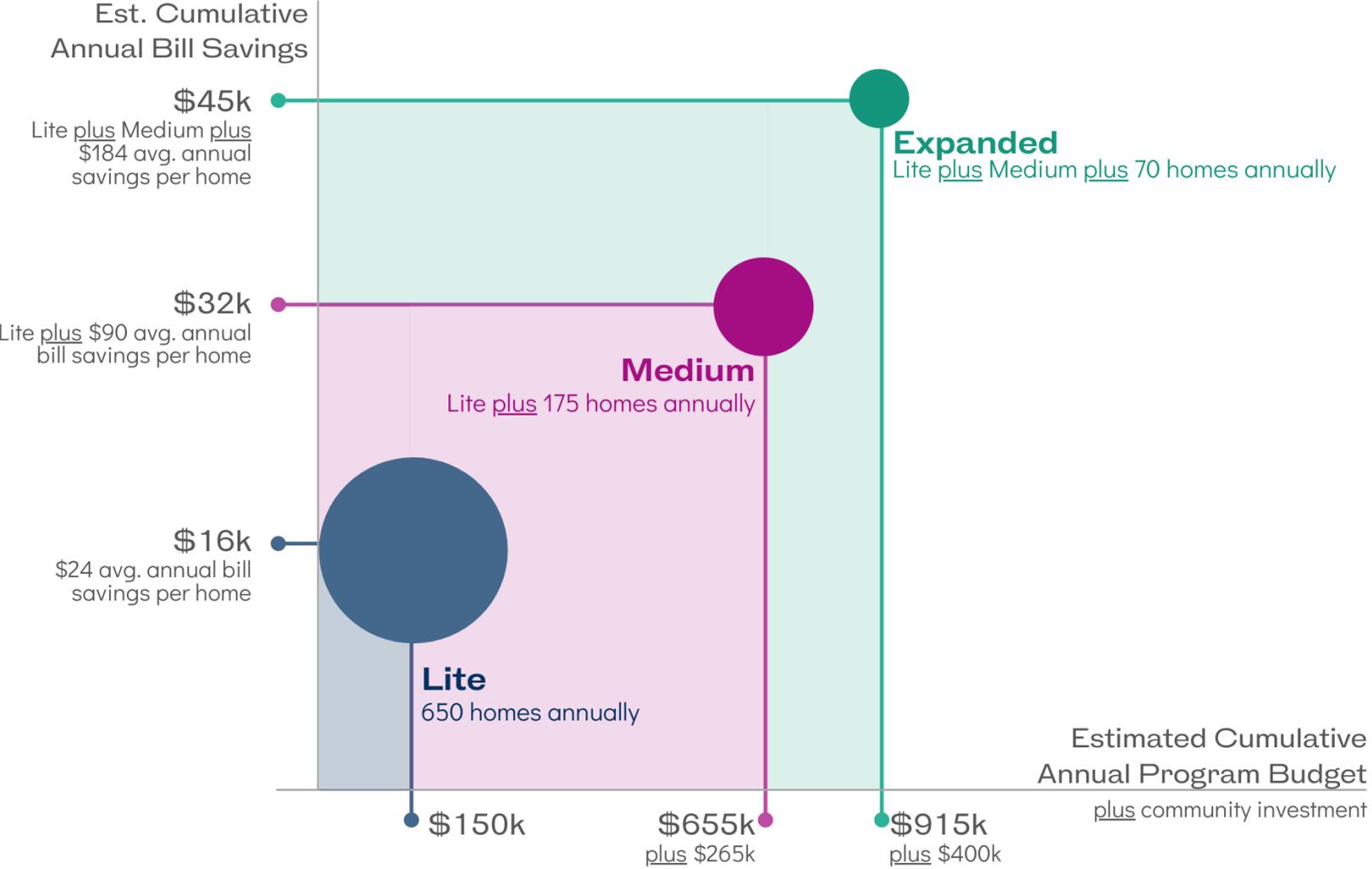


**Veronica Mendoza**  
Family Advocate at Mission View Elementary



**Aisha Houghton**  
Clinical Social Worker at Cascade Medical

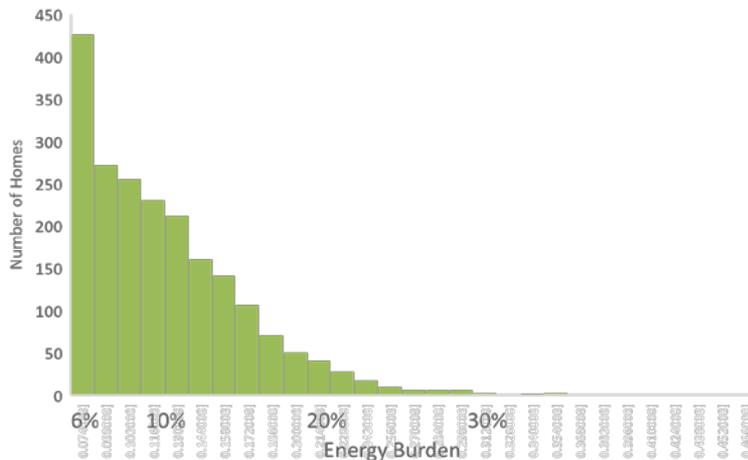
# Program Budgets & Customer Savings



# Energy Burden Reductions

Internal Goal?

“How many homes will have an energy burden below 6% after participating in our programs?”



Recall that energy burden is a distribution. CETA aims to reduce “unmet need,” the dollar amount of bills above 6% household income.

**Lite**  
150 homes



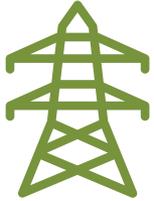
**Medium**  
400 homes



**Expanded**  
1,000 homes



# Community Investment Sources



## Public Power Benefit Funding (PPB)

Provides the most flexible and assured source of funding.



## Non-Governmental Funding

3<sup>rd</sup> party funds, including landlord co-pay or grants, can be difficult to budget for annually and some sources can negatively impact participation.



## State/Federal Funding

Difficult to find grants for proven programs, including weatherization and HVAC. Most grants are for newer programs like renewables, energy storage, and integrating systems.

# Recommendation



Use **Public Power Benefit Funding (PPB)** as the community investment to fund the **Medium** program for 2 years (\$530k)

- Focus on owner-occupied homes (~400)
- Continue looking for other funding sources for **Expanded** program
- Build contractor partnerships
- Annually report progress to the Board

# Questions?

# Update: Service Connection Fee Waiver

April 5<sup>th</sup> staff presented an approach for modifying the service connection fee waiver in support of affordable housing. Board feedback focused on:

- Concerns over controls without defined income thresholds
- Desire to ensure program is reaching the intended customers

Staff has been working with Mike Cooney, lead Community Housing Trust (CHT) rep, to explore options in support of Board feedback

# Update: Service Connection Fee Waiver

Mike Cooney communicated that CHT recommended a 120% threshold based on county Area Median Income (AMI)

Staff reviewed the recommendation and looked for legal and statutory authority to support a higher threshold

Various statutes provide authority at different thresholds for low income depending on the statutory purpose. Staff found no clear authority for a low-income threshold at or above the AMI.

The most relevant guidance is provided via the State's Clean Energy Transformation Act (CETA) which applies 80% AMI

# Update: Service Connection Fee Waiver

Staff recommendation:

Apply the State's Clean Energy Transformation Act (CETA) income thresholds - 80% AMI

In addition, make the previous policy alterations noted in the April 5<sup>th</sup> Board update

Questions?

# Appendix: Opportunities for improvement

- Remove PUD administration challenges such as:
  - Keeping pace with local housing programs, instead rely on their program income limitations and verification effort
  - Tracking from construction to purchase required to ensure Equal Pay enrollment and security deposit restrictions, instead eliminate these program elements
- Include policy requirements in a standard and convenient location
  - Electric Line Extension Policy
  - Fees & Charges

# Appendix: Proposed PUD policy

## Service connection fees may be waived for:

- Single family residences
- 200A or less
- Sold to low-income homebuyers by 501(c)(3) organizations
- Homebuyers must qualify as low-income through the associated housing program
- Eligible Service Connection Fees are as specified in the District's Fees & Charges schedule
- Additional line extension costs and/or applicable Fees & Charges, and all other Utility Service Regulations apply