

Low Income & High Energy Burden Program Update

5/3/2021

Lacy Stockton
Josh Mitchell
Andrew Grassell

No Decision Required, Feedback Requested



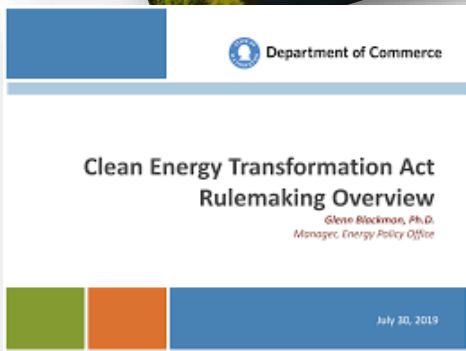
Why We Are Here

- 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

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

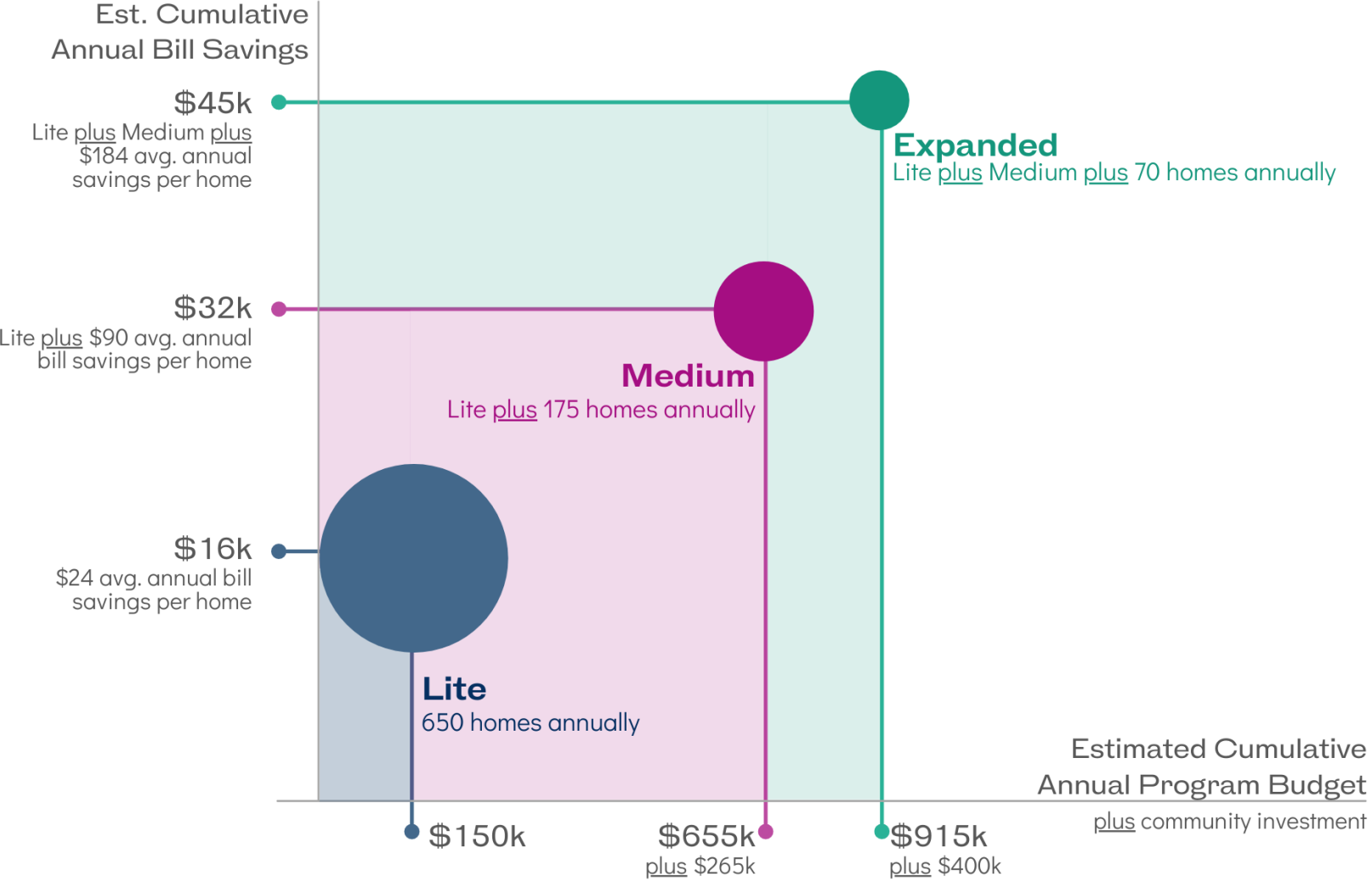
Family Advocate at Mission View Elementary



Aisha Houghton

Clinical Social Worker at Cascade Medical

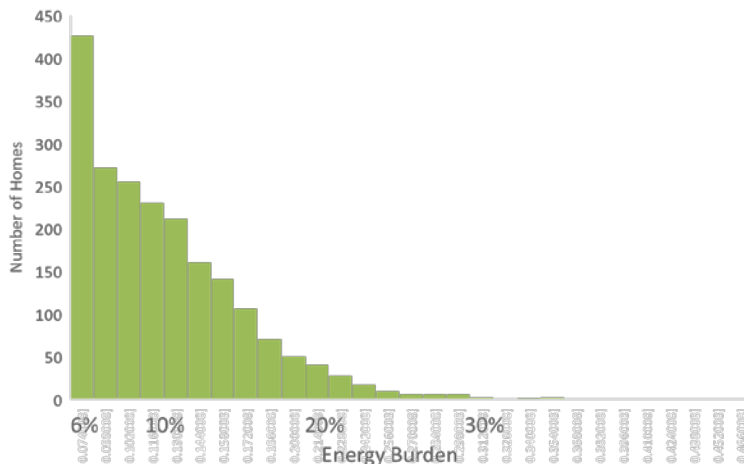
Program Budgets & Customer Savings



Energy Burden Reductions

Internal Goal?

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



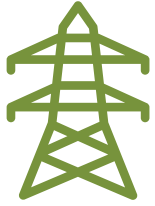
Recall that energy burden is a distribution. CETA aims to reduce “unmet need,” the dollar amount of bills above 6% household income.

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


3rd 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 5th 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 5th 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