

CETA – Section 12: Low Income Energy Assistance Programs

Discussion Draft for Public Workshop on Nov. 4, 2019

Please send all comments to ceta@commerce.wa.gov by Dec. 4, 2019.

Table of Contents

Intent.....	1
Relevant Definitions from RCW 19.405.020	2
Program Mandates for Utilities	3
Data Requirements	4
Assessment Requirements.....	5
Commerce Legislative Report Requirements	6
Resources	6

Intent

This discussion draft will be used to develop a set of guidelines for implementing the Clean Energy Transformation Act's (CETA) energy assistance programs for low income households requirements ([RCW 19.405.120](#)). The guidelines are meant to provide necessary definitions and data and assessment requirements necessary for compliance with this section. Each table provides the statutory language from CETA and suggested questions to facilitate conversation about this section and guide input for Commerce. Please feel free to offer input outside of the prescribed questions.

This discussion draft will be used as background for a public workshop held on Nov. 4, 2019 in Tacoma, WA focused on developing these guidelines. Using input from this public workshop, draft guidelines will be posted for public comment until Dec. 6, 2019 on the [CETA website](#). Final guidelines will be posted on the CETA website by January 2020.

Please see the CETA website (<http://www.commerce.wa.gov/ceta/>) for the most up to date information.

Please submit all comments and questions to ceta@commerce.wa.gov

Relevant Definitions from RCW 19.405.020

Section	Language	Questions
<p>2(15) – Energy Assistance</p>	<p><i>“Energy assistance’ means a program undertaken by a utility to reduce the household energy burden of its customers.</i></p> <p><i>(a) Energy assistance includes, but is not limited to, weatherization, conservation and efficiency programs or discounts for lower income households, intended to lower a household’s energy burden</i></p> <p><i>(b) 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 conservation and demand-side measures.”</i></p>	<p>Is this definition of “energy assistance” comprehensive enough to address all of the programs offered in your service territory?</p> <p>Are there any clarifications necessary for subsection (b)?</p>
<p>2(16) – Energy Assistance Need</p>	<p><i>“Energy assistance need’ means the amount of assistance necessary to achieve a level of household energy burden established by the department or commission.”</i></p>	<p>A 2016 ACEEE report uses “households with an energy burden greater than the city’s median energy burden”¹ as a metric for baselining need.</p> <p>Fisher Sheehan & Colton use 6% of a household’s gross income as “affordable burden” for their Home Energy Affordability Gap model.²</p> <p>What is a reasonable level of energy burden as a baseline for high energy burden? Should Commerce use one value for all utilities or a value calculated for each utility?</p> <p>You are invited to propose a level of energy burden that should be included within the definition of “energy assistance need.” Please include references and citations.</p>
<p>2(17) – Energy Burden</p>	<p><i>“Energy burden’ means the share of annual household income used to pay annual home energy bills.”</i></p>	<p>Is this definition of energy burden adequate to submit the data required to Commerce in Section 12(3)?</p>

¹ Drehobl, A., and L. Ross. 2016. *Lifting the High Energy Burden in America’s largest Cities: How Energy Efficiency Can Improve Low-Income and Underserved Communities*. Washington, DC: American Council for an Energy-Efficient Economy (ACEEE) and Energy Efficiency for All. <https://aceee.org/research-report/u1602>.

² Fisher Sheehan & Colton’s Home Energy Affordability Gap research, www.homeenergyaffordabilitygap.com.

<p>2(25) – Low Income</p>	<p><i>“‘Low-income’ means household income as defined by the department or commission, provided that the definition may not exceed the higher of eighty percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size.”</i></p>	<p>A 2016 ACEEE report uses 80% Area Median Income (AMI) as a basis for low income household.¹</p> <p>The Low-Income Home Energy Assistance Program (LIHEAP) uses household average monthly income at or below 125% of the Federal Poverty Level (FPL).</p> <p>The Low-Income Weatherization Assistance Program uses total household income at or below 200% Federal Poverty Level or 60% State Median Income, whichever is greater.</p> <p>What definitions of “low-income” are used for low income programs and funding in your service territory? What level of low income is most beneficial to vulnerable communities?</p> <p>Please provide suggestions for the level of low income that should be used for this section and include references and citations.</p> <p>Note: the maximum allowed levels are the higher of 80 percent of AMI or 200 percent of FPL, adjusted for household size.</p>
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Program Mandates for Utilities

Section	Language	Questions
<p>12(2)</p>	<p><i>“An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021.”</i></p>	<p>Is the definition of “energy assistance” in Section 2(15) clear enough to show compliance with this section?</p>
	<p><i>“Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection (4) of this section.”</i></p>	
	<p><i>“To the extent practicable, priority must be given to low-income households with a higher energy burden.”</i></p>	

Data Requirements

Section	Language	Questions
12(3)	<p><i>“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 web site and, to the extent practicable, include geographic attributes.”</i></p>	<p>Is it clear what geographic attributes are available for this data?</p>
12(3)(a)	<p><i>“The aggregated data published by the department must include, but is not limited to:</i></p> <p><i>(i) The estimated number and demographic characteristics of households served by energy assistance for each utility and the dollar value of the assistance;</i></p> <p><i>(ii) The estimated level of energy burden and energy assistance need* among customers served, accounting for household income and other drivers of energy burden;</i></p> <p><i>(iii) Housing characteristics including housing type, home vintage, and fuel types; and</i></p> <p><i>(iv) Energy efficiency potential.”</i></p> <p><i>*as defined by Commerce and UTC</i></p>	<p>Does your utility or agency currently have this information available?</p> <p>What other sources of information would you recommend Commerce investigate to source this data?</p> <p>What other drivers of energy burden would you consider (and do you have available) for the customers you serve?</p>
12(3)(b)	<p><i>“Each utility must disclose information to the department for use under this subsection, including:</i></p> <p><i>(i) The amount and type of energy assistance and the number and type of households, if applicable, served for programs administered by the utility;</i></p> <p><i>(ii) The amount of money passed through to third parties that administer energy assistance programs; and</i></p>	<p>Does your utility currently have access this data?</p> <p>Commerce would like to provide guidance for which “type of households” should be included for this data. What types of information currently exists</p> <p>What other information should utilities be required to disclose to the department for use under this subsection?</p>

	<i>(iii) Subject to availability, any other information related to the utility's low-income assistance programs that is requested by the department."</i>	
	<i>"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."</i>	Which one year cycle aligns best with the cycles to report data on your programs (e.g. Jan 2018-Dec 2018, July 2019-July 2020)?

Assessment Requirements

Section	Language	Questions
12(2)	<i>"Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection (4) of this section."</i>	Are the requirements for showing progress in each of the three areas of this assessment [i.e. 12(4)(a)(i)-(iii)] clear?
12(4)(a)(i)	<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"</i>	
12(4)(a)(ii)	<i>"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"</i>	
12(4)(a)(iii)	<i>"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."</i> *as defined by Commerce and UTC	

12(4)(b)	<p><i>"[...] a plan to improve the effectiveness of the assessed mechanisms and strategies toward meeting the energy assistance need.*"</i></p> <p>*as defined by Commerce and UTC</p>	
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Commerce Legislative Report Requirements

Section	Language	Questions
12(6)(a)	<p><i>"The department must submit a biennial report to the legislature that:</i></p> <ul style="list-style-type: none"> <i>(i) Aggregates information into a statewide summary of energy assistance programs, energy burden, and energy assistance need;</i> <i>(ii) Identifies and quantifies current expenditures on low-income energy assistance; and</i> <i>(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."</i> 	<p>What should Commerce prioritize in the report of the list provided in statute?</p> <p>What other issues or topics are important for Commerce to cover in this report?</p>
12(6)(b)	<p><i>"The department must also assess mechanisms to prioritize energy assistance towards low-income households with a higher energy burden."</i></p>	

Resources

Please list any resources, data or methodologies your utility uses to create programs and allocate funding for low income households.