# Customer Rates

## Definitions

* Innovative or new approaches to rate design to help low-income customers.
* Commerce: Fixed charge minimum bill waiver
* Commerce: Increasing block structure

## Strengths

* Rate changes may have a significant impact on energy burden for LI customers with high energy consumption.

## Drawbacks

* Rate changes do not impact fixed charges.
* Rate changes do not address energy burden from natural gas, wood, or propane use.
* Rate changes are infrequent and not as flexible as other assistance programs.
* Lower rates for some customers will lead to higher rates for other customers.
* Rate changes do not reduce and may increase energy consumption.

## Outstanding questions

* What are new or innovative approaches to rate design?
* Are there restrictions to providing specific discounts within a specific rate class?
* What is the link between energy assistance and energy efficiency?

# Low-income Specific Discount

## Definitions

* A lower kilowatt hour rate or percentage bill discount

## Strengths

* Relatively easy to administer
* Good at targeting benefits
* Easy to tweak program design to fit goals
* Avista and PacifiCorp both have tiered programs that could serve as models for other utilities

## Drawbacks

* Low-income specific discounts do not directly address energy burden
* Could lead to increased rates for other customers, including low-income households who do not participate in the program

## Outstanding questions

# System benefits charge

## Definitions

* All utility sales in the state are assessed charge to pay for energy assistance programs.

## Strengths

* It helps customers served by small utilities with a disproportionately large portion of low-income customers
* May address dual-fuel households
* More equitable way of funding energy assistance programs across the state
* It could create one entity dedicated to energy assistance
	+ Could reduce administrative burden for utilities
	+ Could improve data collection efforts

## Drawbacks

* If you are making burden less for utilities with low-income service areas, utilities with higher income service areas would have a higher charge.

## Outstanding questions

* Who would run this program?

# Public or private funds

## Definitions

* Public funds would come from state general fund
* Private funds likely means new or innovative customer donation programs

## Strengths

* These sources of funding do not create rate pressure

## Drawbacks

* Public funds are subject to allocation through the legislative process.
* Donation-based programs are often unreliable.

## Outstanding questions

* Are there other sources of public and private funds have yet to be considered?

# What are other additional mechanisms for low-income energy assistance that Commerce should evaluate?

* Arrearage management programs—evaluating maintaining connectivity and decreasing disconnections
* Customer care and equalized payment plans
* Distributed energy resources, i.e. community solar
* Utility discount for participation in demand response programs

# What are additional mechanisms to prioritize energy assistance towards low-income households with a higher energy burden?

* Tiered incentives
* Consider needs assessment results and tailor outreach to underserved populations
* Streamline application process