



# Oregon Citizens' Utility Board

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June 22, 2022

Public Utility Commission  
Attn: Filing Center  
P.O. Box 1088  
Salem, OR 97308-1088

## **RE: UM 2211/ADV 1390 - CUB Comments on NW Natural's Residential Low-Income Bill Discount Program**

The Oregon Citizens' Utility Board (CUB) thanks the Oregon Public Utility Commission (PUC) for the opportunity to comment on NW Natural's proposed Residential Low-Income Bill Discount Program. CUB appreciates NW Natural's interim efforts to reduce energy burdens of its low-income customers as it works on collecting more data to help inform its program. CUB thanks PUC Staff (Staff) for their guidance in developing these innovative and important programs.<sup>1</sup>

CUB is looking for cost-effective utility program proposals and rate design structures that reduce the energy burden of low-income Oregonians. Ability to pay should not be the determining factor as to whether our neighbors are able to safely regulate the temperature of their home, especially during the coldest times of the year.<sup>2</sup> CUB provides these comments on NW Natural's proposed Residential Low-Income Bill Discount Program in addition to those we filed in this docket on May 27, 2022. CUB emphasizes that the low-income program investigation is ongoing, and this interim program does not set a precedent for a final program.

NW Natural indicated it cannot launch its Residential Low-Income Discount Program until November 1, 2022. CUB's comments are not intended to delay launch of this program, and we reiterate our preference to see the program launch earlier, at least by October 1, 2022. To the extent NW Natural is unable to fully respond to the CUB's comments in its reply comments, we request the Company indicate when it expects to provide a response.

### **Bundling**

CUB appreciates that NW Natural has considered how energy efficiency can play a role in reducing customers' energy burden by working with customers to enable referral to its Oregon Low-Income Energy Efficiency (OLIEE) program and other energy assistance partners. CUB would like all utilities to analyze how energy efficiency programs, education, and weatherization opportunities can alleviate inequitable energy burdens. NW Natural should analyze energy efficiency and

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<sup>1</sup> PUC Staff, Staff Interim Action Proposal Update (Feb. 1, 2022) (<https://edocs.puc.state.or.us/efdocs/HAC/um2211hac17313.pdf>).

<sup>2</sup> Cong, S., Nock, D., Qiu, Y.L. et al. Unveiling hidden energy poverty using the energy equity gap. *Nat Commun* 13, 2456 (2022) <<https://www.nature.com/articles/s41467-022-30146-5>>.

weatherization options for its low-income program. This should include a long- and short-term cost-benefit analysis, in addition to low-income rate design.

PUC Staff indicated that they will review utility proposals for evidence of efforts to: 1) share information with Energy Trust of Oregon (ETO) and energy efficiency and weatherization agencies about interim rates and program participants; 2) collaborate with energy efficiency and weatherization agencies on complementary services and potential cross referrals; and 3) make energy efficiency, weatherization information, and other program resources available to participating customers.<sup>3</sup> Given this direction, CUB is interested in hearing from the Company how NW Natural has considered and addressed Staff's Bundling criteria in developing its interim proposal? Along with how the Company will consider and address those criteria as its interim program is implemented?

In its Initial Filing, NW Natural stated it anticipates it will obtain customer authorization for referral for additional assistance programs, including weatherization, through the enrollment process for its Residential Low-Income Bill Discount Program. CUB has some questions about this process:

- Can the utility confirm the enrollment process will provide for this authorization?
- What other ways does the utility plan to share information with ETO and energy efficiency and weatherization agencies about interim rates and program participants?
- How has the utility coordinated with these groups on the best ways to share information and collaborate on complementary services and potential cross referrals?

In comments filed on May 27, 2022, CUB emphasized that fair utility rates and costs begin with energy efficiency as the primary driver of utility resource planning and fair and equitable rate design.<sup>4</sup> CUB reiterates that we would like NW Natural to analyze the cost-effectiveness of using energy efficiency and weatherization programs to help reduce low-income customers' energy burden, for both homeowners and renters. In its reply comments due on July 1, 2022, CUB would like NW Natural to respond as best as it can to the following questions from our previous comments:

- How is NW Natural prioritizing energy efficiency and weatherization at the utility level and through residential program opportunities as part of its energy burden reduction efforts?
- How can and will the utility consider the cost-effectiveness of its energy efficiency and weatherization cost-reduction efforts in its energy production and delivery?
- What is the cost-benefit analysis of the opportunity to reduce energy burden with investments in increasing energy efficiency and weatherization in low-income homes, coupled with various discount program options?
- What demand response strategies does the utility propose to reduce energy consumption?
- What role does the utility see for Energy Trust of Oregon (ETO) to help its low-income customers reduce energy burden?

At the June 6, 2022, workshop on NW Natural's low-income proposal, NW Natural stated it has been ramping up weatherization program delivery and is rolling out more programs and outreach to

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<sup>3</sup> PUC Staff, Staff Interim Action Proposal Update, p 3 (Feb. 1, 2022) (<https://edocs.puc.state.or.us/efdocs/HAH/um2211hah114912.pdf>).

<sup>4</sup> ADV 1390, CUB's Comments (May 27, 2022) (<https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAC&FileName=adv1390hac1007.pdf&DocketID=23272&numSequence=9>).

increase the awareness of resources, expanding as much as the OLIEE tariff will allow. What are the additional weatherization and energy efficiency services or programs that are being rolled out? What does the expanded outreach look like to partners and customers and how does it tie into or overlap with outreach into the Residential Low-Income Bill Discount Program?

Finally, if a low-income household utilized all OLIEE weatherization and energy efficiency services available, what would be an estimated percent reduction in energy burden? If the utility has not conducted this analysis, CUB believes it should be addressed in NW Natural's low-income needs assessment (LINA).

### **Level of Relief**

PUC Staff have directed utilities to “explain how the interim rate program was designed to provide a meaningful reduction of energy burden” and has indicated they will review how each proposal has 1) prioritized relief to its lowest income customers with the highest energy burden and 2) explain how the interim rate was designed to provide a meaningful reduction of energy burden. The focus of these programs is on getting assistance to customers shouldering greater energy burdens. CUB asks NW Natural to address these criteria and any request for information in this section below in its upcoming reply comments.

In NW Natural's presentation to stakeholders on May 13, 2022, slide 5 indicated that the interim program will make space for learnings from its LINA, OPUC Investigation, and program results. Regarding the LINA:

- What are the input, scope, and goals of NW Natural's LINA analysis? Will the Company use a similar LINA strategy to Avista and/or Cascade Natural Gas?
- What is NW Natural's energy burden reduction goal?
- How will NW Natural adjust its low-income program based upon the results of its LINA, as well as OPUC and stakeholder comments?

In its analysis, Cascade Natural Gas acknowledged that households with very low incomes “may be obfuscated when averaged in with a larger group of low-income customers.”<sup>5</sup> CUB believes this concern is important for all utilities to consider in their low-income assistance programs. CUB requests that NW Natural conduct energy burden reduction analyses for households at 20%, 15%, 10%, 5%, and 0% State Median Income (SMI) levels as part of its LINA.

CUB reiterates that discount program impacts cannot be siloed from other NW Natural PUC proceedings. It is important to consider what that relief would look like when customer bills are expected to increase, including due to the cost of RNG, changes in the cost of natural gas, and base rate increases from general rate case proceedings. CUB would like NW Natural to address in its reply comments the impacts of upcoming residential bill increases, including the potential impacts of those increased costs on customers and the resulting impact on any energy burden efforts of its low-income discount program.

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<sup>5</sup> Cascade Natural Gas Corporation: Low-Income Rate Analysis for Oregon, Prepared by Forefront Economics Inc and H. Gil Peach & Associates, LLC, p 19 (April 26, 2022).

As part of its LINA, CUB believes NW Natural should complete a cost-benefit analysis of several low-income program options, including evaluating discounts as a percentage of household income like a Percent of Income Payment Plan (PIPP), and programs that prioritize energy efficiency and weatherization opportunities before a rate discount, in the short- and long-term. This type of analysis may include, but is not limited to energy burden reductions strategies, program costs to ratepayers, and potential impact on utility disconnections and associated costs.

**Eligibility**

CUB reiterates its Eligibility comments filed on May 27, 2022. CUB continues to highlight and defer to the knowledge and expertise of Community Action Agencies (CAAs), and low-income and environmental justice advocates for direction on eligibility standards and reducing barriers to enrollment.

CUB also highlights stakeholder and Staff’s interest in risk-free programs for customers that enroll. CUB does not believe there should be a focus on recovering potentially fraudulent funds during the interim program. This phase should focus on getting assistance to low-income individuals and gathering information on best practices for reducing energy burden.

**Tracking and Accounting**

CUB reiterates its Tracking and Accounting comments filed on May 27, 2022 filing.

**Outreach and Engagement**

CUB reiterates its Outreach and Engagement comments filed on May 27, 2022. CUB continues to defer to the knowledge and expertise of CAAs, and low-income and environmental justice advocates for direction on outreach and engagement. CUB believes it is important for NW Natural to prioritize low-income program outreach well in advance of the initial enrollment date. The Company should make sure CAAs and community partner organizations are prepared to sign up customers as soon as possible.

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CUB appreciates the interim relief offered by NW Natural and its willingness to consider and apply feedback from stakeholders. The Company's proposed program will bring much-needed relief to its low-income customers. CUB looks forward to continuing to collaborate with NW Natural and stakeholders in developing a long-term program that strategically alleviates the disparate energy burden placed on its lowest-income customers, while keeping program costs low. CUB thanks NW Natural for its proposal and the efforts that it put into it. CUB looks forward to NW Natural's reply comments. CUB thanks PUC Staff for its guidance in developing these innovative and important programs.

Respectfully submitted,

*/s/Jennifer Hill-Hart*

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