

9/29/2022

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

RE: Comments on Idaho Power's bill discount proposal – UM 2211

The Community Action Partnership of Oregon (CAPO), Oregon Citizens' Utility Board (CUB), NW Energy Coalition (NWEC), Verde, and Rogue Climate submit the following comments regarding Idaho Power's (IP) interim low-income bill discount program (bill discount). We appreciate the opportunity to comment on IP's bill discount proposal. One of the main purposes of the Energy Affordability Act (HB 2475 - 2021) is to reduce disparate energy burdens, with income being one of the main pathways of measurement. We want to emphasize the importance of continuing to investigate a range of options to address energy affordability, including percent of income payment plans, considering factors beyond income that make families energy insecure, a low-income rate class, and energy efficiency interventions.

We appreciate IP's proactive engagement with stakeholders and applaud using a data-driven process to inform program design given IP's unique service territory. IP's current proposal is a good step in the direction of reducing energy insecurity of low-income households. In the interest of quick implementation, we only suggest minor changes to IP's program design and defer larger conversations to the UM 2211 investigation, which is about to begin. In the following, we offer comments on the bill discount proposal, informed by our experience in serving diverse populations with low incomes all across the state of Oregon.

Level of Relief

We appreciate the complexity of designing a bill discount program with a small cost-recovery base. 62.5% of Oregon customers in IP service territory have household incomes at or below 60% of SMI. In this situation, targeting assistance at customers with actual energy burden makes good sense. Hence, we recommend offering discounts only to low-income customers, whose energy bills exceed 6% (3% for non-heating customers) of household gross income. No minimum benefit should be provided.

The proposed discount tiers provide substantive relief, and we accept them as a compromise. However, we oppose the annual maximum benefit of \$750. The maximum benefit negates the discount tiers. The average energy-burdened household has an electricity bill of \$2100. This means, the maximum discount they could achieve would be 36% instead of 60%. This would de

facto eliminate the higher discount for the 0-20% of SMI tier, which is the group that needs the most help. Hence, the maximum benefit must be eliminated.

We would be aggregable to a cost-control mechanism designed to exclude electricity use that is clearly non-residential. For that purpose, IP could establish a maximum number of kwh to which the discount is applied. However, the number needs to be substantially higher than the average high-burden customer usage (i.e. larger than the equivalent of \$2,100/year). Additional cost control can be achieved by effective coordination with LIHEAP.

High usage customers are also good targets for an additional energy efficiency program (see, future considerations).

Coordination with LIHEAP

The program design should maximize the use and availability of federal funds, including LIHEAP. Hence, any LIHEAP payments should be applied to bills before the discount is applied. This will reduce program costs.

Receipt of LIHEAP should also not be an exception to the requirement to be energy burdened. Hence, IP should only auto-enroll energy assistance recipients after ascertaining if they are energy burdened. Furthermore, it may make sense to initially target enrollment efforts at the 85% of LIHEAP-eligible households that do not participate in LIHEAP due to funding limitations.

Cost Recovery

We propose that this program not be subject to a cost cap. IP's Oregon service territory has 12,800 households. 62% of residents would fall under 60% of State Median Income. All IP customers need to equally contribute to financing the bill discount program. There is no good policy argument for giving large customers special treatment. IP's proposed \$1000 cap primarily benefits large power customers, since these customers would be insulated from any price increase associated with bill discounts as discount costs increase. Schedule 19 customers constitute ~40% of energy sales in Idaho Power's Oregon service territory. If the cost cap were put in place, the tariff would shift bill discount costs to customer

The \$1000 dollar cap primarily benefits large customer classes

Tariff	Rate	Average		
	Schedule No.	Number of Customers	Normalized Energy (kWh)	Percent of Load
Residential Service	1	13687	190042534	27.08%
Residential Service - Time-of-Day Pilot	5	4	99999	0.01%
Small General Service	7	2720	19602319	2.79%
Large General Secondary	9S	948	119668906	17.05%
Large General Primary	9P	6	13737059	1.96%
Large General Transmission	9T	1	3198992	0.46%
Dusk to Dawn Lighting	15	0	424692	0.06%
Large Power Primary	19P	6	172378902	24.57%
Large Power Transmission	19T	1	113797497	16.22%
Agricultural Irrigation Service	24	2222	67981121	9.69%
Unmetered General Service	40	2	5388	0.00%
Street Lighting	41	26	751891	0.11%
Traffic Control Lighting	42	10	21598	0.00%
Total Uniform Tariffs		19633	701710898	100.00%
Total Oregon Retail Sales		19633	701710898	100.00%

Source: Customer Class Load Data from the Idaho Power Power Cost Proceeding - UE 414

classes not subject to the cost cap. We oppose the proposed \$1000 cost recovery cap. There is no need to adopt any cap.

Eligibility and Outreach

We appreciate the efforts to make eligibility and enrollment as easy as possible. Several stakeholders report that enrolling eligible households in assistance programs is especially difficult in IP's service territory. Hence, creative efforts are key. These could include:

- Direct outreach to customers identified as likely eligible (due to income and energy burden) by the low-income needs assessment.
- Social media engagement.
- Online sign-up and plain language information on IP's website
- Working with community-based organizations including community action agencies.

Income Verification

We commend IP's intake process that relies on self-attestation. Income verification is often burdensome to eligible individuals and expensive to administer, thereby excluding those who need it the most. We understand that there need to be safeguards and backstops for program integrity. We recommend those to be designed thoughtfully. One example might be to identify metrics that trigger an audit instead of conducting an audit automatically. Another example would be to use data to conduct post-enrollment verification where discrepancies seem likely instead of auditing households randomly.

Future Considerations

We hope the following issues can be addressed in future program iterations:

- Arrears. IP customer arrears have not returned to pre-pandemic levels. The bill discount program should help with preventing arrears in the future. However, a solution to existing high arrears needs to be found. The solution should not be disconnection.
- Energy efficiency. The low-income needs assessments identified households that are good candidates for weatherization. Programs need to be created to reach them. Existing programs have routinely had years-long wait times for customers to get connected, forcing eligible households to continue living in inefficient homes. Because it has been difficult to provide weatherization services in IP's service territory in Oregon, we would like to see IP's proposal to improve access to these services. Single family homes comprise the majority of households in IP's OR service territory, and a significant majority were built before 1980, making them good candidates for weatherization benefits. How will the Company work with community organizations to broaden weatherization options for its customers? As IP's LINA suggested¹, we would like to see a plan from IP on how it will work with schools and churches, and other community spaces, to provide the low-cost, high-benefit weatherization services to its customers in

¹ See [Idaho Power's Oregon Low-Income Needs Assessment](#), p 25.

Oregon. On the horizon, we see potential in a HB 2475 Section 7 authorized statewide weatherization program as a possible funding solution.

- Reporting. The program should have regular reporting and identify performance metrics, for example target enrollment numbers.

Conclusion

We appreciate the interim program that IP has laid out so far and hope that IP will continue to work with stakeholders in program design and delivery.

Respectfully,

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