



## Oregon's Poverty Fighting Network

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Public Utility Commission  
Attn: Filing Center  
P.O. Box 1088 Salem  
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### **RE: ADV 1390, NW NATURAL'S ADVICE NO. 22-02 RESIDENTIAL LOW-INCOME BILL DISCOUNT PROGRAM - COMMENTS**

The Community Action Partnership of Oregon (CAPO) and the undersigned advocates submit the following comments regarding NW Natural's (NWN) interim low-income bill discount program (bill discount), as filed on April 18, 2022 and as presented on May 12, 2022. We appreciate the opportunity to comment on NWN's bill discount program. 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 and considering factors beyond income that make families energy insecure. We appreciate NWN's pro-active engagement with stakeholders and commitment to program evaluation to inform long-term program design. In the following, we offer comments on the bill discount program, informed by our experience in serving diverse populations with low incomes all across the state of Oregon.

#### **Eligibility**

We appreciate the effort to make eligibility and enrollment as easy as possible. Auto-enrollment is a good step to enroll people as unbureaucratically as possible. We applaud NWN for proposing to work with Oregon Housing and Community Services (OHCS) to receive information about eligible individuals and enroll them in the appropriate discount tiers. Available programs (e.g. bill discount, arrearage management, grants) should be clearly described (in plain language and containing actual numbers) on NWN's website so customers can have a good idea of whether reaching out for help is worth their effort. We also encourage NWN to work with community-based organizations, including community action agencies (CAA), to allow them to directly enroll their clients through an online tool. Collaboration of this type is essential to capture customers who are least likely to enroll in the assistance programs they need due to language barriers, lack of capacity, mistrust, or other factors. If community-based organizations shoulder a large part of the outreach burden, we think that program budget should include some outreach funding for these organizations, so that outreach efforts are consistent and sustainable.

We commend NWN'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 encourage NWN to make participation in the program relatively risk-free, for instance by not requiring pay backs for individuals, who fail income verification, and allowing them to re-enroll if their income changes.

We recommend that NWN adopt an approach to income verification (3% random sample) that recognizes how intrusive such a process can be on individuals' lives and recognizes individuals' variable capacity to participate in such a process. Important barriers to consider include: not being able to produce required paperwork, highly variable income, language barriers, privacy concerns due to experiences of domestic violence or immigration status, or lacking capacity to engage in such a process. We recommend hiring community-based organizations, like CAAs, that have experience in conducting income verification in a respectful and culturally-appropriate manner, to implement this part of the program. It would also be important to include appropriate enumeration for such income verification in the program budget.

### **Level of Relief**

NWN's current proposal is to offer discount tiers identical to those the PUC has approved for PGE. We think that pointing at PGE's program is not sufficient justification for program design, especially since lots of contextual factors vary between both companies. Overall, we encourage NWN to use its low-income needs assessment to adjust its discount tiers, but in the meantime, we think steeper discounts are necessary to fulfill the goals laid out by PUC staff's baseline evaluation criteria.

In November 2021, NWN increased its rates with the effect of increasing residential bills by 13.2%. In its current general rate case, NWN is proposing to increase residential bills by another 12%. Given that the current proposal seeks to increase executive bonuses and return on equity, we would urge NWN to consider that all company stakeholders, including shareholders, should contribute to the goal of reducing disproportionate energy burdens. Given those rate increases, a low-income customer, who was energy burdened in October 2021, will face the identical or even a higher energy burden at the end of 2022, despite the proposed discount program. This alone suggests to us that the current program does not offer deep enough discounts, especially for extremely low-income households.

Our experiences serving families at the very bottom of the income distribution show that energy burden here becomes a somewhat meaningless number. Families in this category can hardly afford any of their bills, meaning that energy bills are unaffordable at full price or discount. The average gas heating bill is quite affordable with energy assistance such as LIHEAP, even for very low-income families. However, according to a yet-to-be-published energy assistance program evaluation by OHCS, these programs serve only around 11% of eligible natural gas customers. In the short-term, a higher bill discount is the most feasible way of offering those unserved customers relief. Consider this back of the envelope calculation. The average annual gas bill is \$758.28 according to NWN's presentation. The average household (2.66 persons) at 15% of SMI would need to contribute \$425 toward their gas bill to stay within a 5% energy burden (leaving 1% for electricity bills). This means, they would need a 44% discount. For 5% of SMI, the necessary discount increases to 81%.

We would like NWN to also consider the proposals laid out by Avista and Cascade Natural Gas. Both companies offer much more appropriate levels of relief based on a low-income needs assessment. In the absence of data from NWN, it would make sense to base discount tiers on what we know from other natural gas customers in Oregon.

Further study is necessary to develop appropriate discount levels. In the meantime, we urge NWN to consider an additional discount tier, offering a discount of at least 50% to households with incomes below 15% of SMI. A tier system closer to Cascade's proposal would be our preference.

### **Tracking and Accountability**

We believe that the best way to ensure the bill discount program works effectively is to include reporting requirements in tariff filings with the PUC. In our view, a successful program would enroll at least 80% of eligible customers in the long run. Since non-participants are paying for the program, eligible but non-enrolled customers will be subsidizing those enrolled. This would create a situation with obvious ethical problems and is best avoided. Reporting enrollment numbers monthly as proposed, is an excellent step toward ensuring program success. To support equitable roll-out, some basic demographic data should be captured during sign-up. While post-launch stakeholder engagement and surveys are important, it is also important to be mindful of the already disproportionate time burdens that our society places on people with low incomes.

### **Connecting Customers to Other Services**

We appreciate NWN's commitment to referring participants to Community Action Programs, including weatherization services, energy assistance, and other cost-free benefits. To streamline this process, we suggest to refer all program participants as a default, but allow them to opt-out during sign-up.

### **Timeline**

We appreciate NWN's willingness to engage with stakeholders in various forums and are looking forward to collaborating on program design in the future. After approval of the bill discount program by the PUC, we would encourage NWN to attempt to allow sign-up before the proposed date of November 1, 2022, in order to provide discounts by the start of the heating season.

### **Conclusion**

We appreciate the interim program that NWN has laid out so far and hope that NWN will work to modify it to provide a higher level of relief to the most low-income customers.

Respectfully,

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