



Oregon's Poverty Fighting Network

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Att.: PUC Filing Center

RE: ADV 1409 Advice No. O22-06-01, Cascade Natural Gas Arrearage Management and Energy Discount Proposal- COMMENTS

The Community Action Partnership of Oregon (CAPO) and the undersigned advocates submit the following comments regarding Cascade Natural Gas' (CNG) interim low-income bill discount program proposal (bill discount) as presented on May 19, 2022. We appreciate the opportunity to comment on CNG'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 CNG'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 proposal, 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 CNG 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 CNG's website so customers can have a good idea of whether reaching out for help is worth their effort. We appreciate CNG's proposal to fund outreach by community-based organizations, including community action agencies (CAA). In our view, many if not most customers should be enrolled by CNG directly, either online or through customer service. CNG has the data to identify customers most likely to qualify for this program. However, collaboration with community-based organizations 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. We are looking forward to working with CNG to identify and reach these groups.

We commend CNG'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 CNG to make participation in the program relatively risk-free, for instance by not

requiring paybacks for individuals, who fail income verification, and allowing them to re-enroll if their income changes.

If CNG is to adopt an income verification process, we recommend to audit only a small sample of the population. The implementation should recognize how intrusive such a process can be on individuals' lives and recognize 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

We commend that CNG's proposed discount tiers are based on a detailed assessment of energy burdens. Current levels seem sufficient to offer significant relief to families in all income groups.

Considering current average stock market returns compared to PUC-approved return on equity, we would urge CNG to consider that all company stakeholders, including shareholders, should contribute to the goal of reducing disproportionate energy burdens.

In the low-income rate assessment, CNG highlights the so-called 'ALICE' (Asset Limited, Income Constrained, Employed) problem, stating "these customers are characterized by insufficient income but have income over the eligibility range for the program. [...] Assessing a subsidy charge to customers who do not qualify for the program but are also income insufficient is counter-productive to the goal of maintaining overall continuity of service. This means ALICE customers should not be assessed the subsidy cost for the program." We do not see anything in the current proposal that addresses this problem and would like to hear more from CNG on that.

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. As stated in CNG's low-income rate assessment, 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.

Enrollment numbers and related characteristics should be reported quarterly to the public. To support equitable roll-out, some basic demographic and income 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 suggest CNG refer all 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 CNG's willingness to engage with stakeholders in various forums and are looking forward to collaborating on program design in the future.

Respectfully,

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