



Oregon Citizens' Utility Board

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July 15, 2022

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

RE: UM 2211/ADV 1412 - CUB Second Round Comments on Pacific Power's Low-Income Discount Program

The Oregon Citizens' Utility Board (CUB) appreciates this second opportunity to comment on Pacific Power's (PacifiCorp) proposed Low-Income Discount Program. CUB appreciates PacifiCorp's efforts to reduce the inequitable energy burdens of low-income customers in its service territory on an interim basis while the Oregon Public Utility Commission's (PUC) Income-Qualified Bill Discount program investigation continues in UM 2211.

CUB offers our comments in addition to and in reiteration of our comments filed on May 27, 2022, for the utility's and PUC Staff's (Staff) consideration of PacifiCorp's proposed interim program. The interim process provides an opportunity for the utility to develop a more permanent program that best ensures the Energy Affordability Act's (2021 HB 2475) goal of reducing residential customers' inequitable energy burdens is kept at the forefront of its program development and implementation, in a cost-effective manner. CUB encourages the utility and Staff to continue to meaningfully consider the comments made by stakeholders who work directly with energy burdened customers.

Level of Relief

CUB appreciates PacifiCorp's consideration of its low-income programs in other states and as proposed by other Oregon utilities. With that in mind, CUB has concerns with PacifiCorp's current proposed level of relief when the impacts of the Company's arrears levels and upcoming proposed rate impacts are acknowledged.

While CUB appreciates the 25% discount for the higher tier State Median Income (SMI) level, CUB believes that this level of discount will not be equitable relief for customers at 20% SMI or below. As expressed in our first round of comments, CUB has concerns that a flat discount level will not be deep enough to see meaningful energy burden reduction for the lowest income, highest energy burdened customers. CUB also would like to see PacifiCorp consider and analyze multiple means of providing equitable relief to low-income residential customers, including evaluating discounts as a percentage of household income. CUB encourages the utility to work directly with stakeholders that work closely with impacted customer groups on identifying best practices to equitably reduce customer energy burden, and believes that the proposed additional tier and discount level proposed by Joint Advocates should be considered.

CUB disagrees with PacifiCorp's June 8, 2022 response stating that "the focus of the bill discount is specific to reducing customer energy burden for their energy usage in subsequent bills."¹ HB 2475 allows the PUC to "address the mitigation of energy burdens through bill reduction measures or programs that may include, but need not be limited to, demand response or weatherization."² CUB believes that in order to address energy burden, arrears must also be a topic of discussion.

It is fair to say that there are low-income customers that are currently accruing arrears. Without arrears mitigation and considering a proposed rate increase upwards of 20%, a 25% discount maintains a status quo that is untenable for the lowest-income, highest energy burdened customers. Coupled with the information from UM 2211 discussions that LIHEAP is only reaching about 18% of eligible households, there is a definite gap in assistance for PacifiCorp's eligible customers.

At a minimum, CUB would like to see PacifiCorp include a steeper discount for the lowest income individuals to begin offsetting rising arrears levels. During this interim period, the Company should be tracking arrears levels alongside the bill discount program. If arrears continue to increase or remain stagnant, this will show the Company, Staff, and stakeholders that additional assistance will be required to effectively reduce inequitable energy burden. CUB hopes that PacifiCorp will be open to discussions of an arrearage management program component within the permanent program if arrears levels are not effectively addressed in this interim phase.

Bundling

CUB appreciates PacifiCorp's efforts to connect its low-income program customers to energy assistance programs and resources online. CUB also appreciates the utility's June 8 comments acknowledging that working with Energy Trust of Oregon (ETO), weatherization agencies, and Community Action Agencies (CAAs) is crucial to help reduce energy burden for residential customers. Energy burden can be reduced by prioritizing utility-scale energy efficiency efforts and residential energy assistance programs. CUB urges PacifiCorp to examine and prioritize programmatic opportunities to reduce energy burden, including demand response and weatherization, as its interim program is implemented and evaluated by the Company. CUB would like to hear how the utility expects to engage energy assistance programs in its efforts to incorporate energy efficiency and bundling into its program once the interim program is in place. CUB also would like to hear the utility's responses to the questions raised in CUB's comments on May 27, 2022, once its interim program is in place.³

Tracking and Accountability

CUB appreciates that PacifiCorp intends to track and report the low-income discount findings, on a quarterly basis in the first year and then annually, in its tariff filing. However, we expect quarterly reporting may still prove useful in understanding the program information after year one, especially since much may be learned as the interim program is implemented.

¹ PacifiCorp, Response to Stakeholder Feedback on PacifiCorp's Draft Proposed Low-Income Discount Program, p 2 (June 8, 2022).

² HB 2475 Sect 7(1).

³ UM 2211, *CUB's Comments on Pacific Power's Income-Qualified Bill Discount Program*, p 1-2 (May 27, 2022).

When looking at the impact of PacifiCorp’s proposed interim program, CUB reiterates our first round of comments related to understanding how the Company plans to assess if the program and utility efforts are meaningfully reducing low-income energy burden in the most cost-effective way. CUB encourages PacifiCorp to continue to look at ways to fully capture demographic information that will allow the Company to understand the efficacy and cost-effectiveness of the interim program. With this in mind, CUB encourages PacifiCorp to collaborate with CAAs and other entities providing services to energy burdened populations to help the Company gather relevant demographic information throughout the duration of the interim process. CUB again defers to and highlights the knowledge and expertise of CAAs, and low-income and environmental justice advocates for direction on what demographic information should be collected and how.⁴

CUB again encourages the Company to ensure it is tracking arrears levels alongside the Low-Income Bill Discount Program. As mentioned earlier, tracking this information will help the Company and all parties understand if the interim relief is sufficient in fully reducing inequitable energy burden. CUB also reiterates Staff’s comments from the May 19 workshop about tracking and monitoring usage of the program as well as how connections to other energy assistance programs are being reached. CUB again defers to and highlights the knowledge and expertise of CAAs, and low income and environmental justice advocates for direction on how best to collect enrollment data.

Conclusion

CUB appreciates the efforts PacifiCorp has put into its proposed interim program and its consideration of CUB’s comments and requests for information. CUB offers these comments to build on the interim efforts PacifiCorp has presented and to ensure that ratepayer funds are utilized to reduce inequitable energy burden in the most cost-effective manner. We hope PacifiCorp will use information collected from implementation of its interim program to develop a long-term program that meaningfully and equitably reduces the energy burden of its low-income customers, while keeping costs low for all customers in its service territory.

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⁴ The following resource may be a useful guide in identifying helpful energy burden demographic information: National Association for the Advancement of Colored People, Lights Out in the Cold: Reforming Utility Shut-Off Policies as If Human Rights Matter, (March 2017) (<https://naacp.org/resources/lights-out-cold>) (the US EIA survey information could prove useful to the utilities in gathering demographic data (see fn. 74 on p 67)).

CUB reiterates our prior comments that this low-income program investigation is ongoing and this interim program does not set a precedent for the final Income-Qualified Bill Discount program. Information gathered from the interim program, ongoing stakeholder input, and further research will assist the investigation in crafting a final plan that uses best practices towards equitable reduction of the energy burdens experienced by low-income residential customers, as intended by HB 2475. CUB thanks PacifiCorp for its proposal and the efforts that it put into developing it. CUB also thanks PUC Staff for its guidance in developing these innovative and important programs.

Respectfully submitted,

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