ORDER NO. 24-426

ENTERED Nov 27 2024

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2211

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Implementation of House Bill 2475.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our November 26, 2024 Regular Public Meeting, to adopt Staff's recommendation regarding data sharing with the Energy Trust of Oregon. Specifically, we direct Portland General Electric Company; Northwest Natural Gas Company, dba NW Natural; PacifiCorp, dba Pacific Power; Avista Corporation, dba Avista Utilities; and Cascade Natural Gas Corporation to share bill discount program schedule customer participation indicators with Energy Trust of Oregon beginning no later than January 2025. Additionally, as discussed during deliberations, we expect collaboration between the Energy Trust of Oregon and existing community partners and program providers in order to coordinate offers to maximize access and reduce customer confusion. The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Nov 27 2024.

Megan W. Decker Chair	**Letha Tawney** Commissioner
	Les Perkins Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 26, 2024

REGULAR x **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: November 19, 2024

TO: Public Utility Commission

FROM: Michelle Scala, Kate Ayres, and Benedikt Springer

THROUGH: Caroline Moore and Scott Gibbens **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2211)
Recommendations for addressing energy burden through arrearage, disconnection, and customer program activities.

STAFF RECOMMENDATION:

Approve Oregon Public Utility Commission (OPUC or Commission) Staff's recommendations regarding:

- Interim customer protections against the risks of arrearages and disconnection as outlined in Attachment 1, and
- Utility data sharing requirements by directing Portland General Electric, Northwest Natural Gas Company, Pacific Power, Avista Utilities, and Cascade Natural Gas to include respective bill discount program schedule identifiers with Energy Trust of Oregon beginning no later than January 2025.

DISCUSSION:

Issue

Whether the Commission should adopt Staff's near-term customer protections against disconnection and guidance on customer program activities.

Further, whether the Commission should direct Portland General Electric, Northwest Natural Gas Company, Pacific Power, Avista Utilities, and Cascade Natural Gas to include respective bill discount program schedule identifiers with Energy Trust of Oregon during their regular data sharing cycles.

Further, Staff supports a pause of PacifiCorp's Low-Income Discount Program re-enrollment process. Staff does not believe that the Commission needs to take action to accomplish this because the Company has agreed to a pause reenrollment through March 1, 2025, and engage stakeholders.

Applicable Law

ORS 756.040 (2) vests the Commission with power and jurisdiction to supervise and regulate every public utility in this state, and to do all things necessary and convenient in the exercise of such power and jurisdiction.

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Under ORS 757.210(1)(b), "automatic adjustment clause" means "a provision of a rate schedule that provides for rate increases or decreases or both, without prior hearing, reflecting increases or decreases or both in costs incurred, taxes paid to units of government or revenues earned by a utility and that is subject to review by the commission at least once every two years."

Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

ORS 757.230, as amended by HB 2475, provides the Commission authority to take certain considerations into account when determining a comprehensive classification of service for each public utility; including, the quantity used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, differential energy burdens on low-income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of utility customers.[1]

ORS 757.695, codifying HB 2475's Section (7)(1), provides that the Commission may 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. Further, the statute provides that the costs of tariff schedules, rates, bill credits or program discounts must be collected in the rates of an electric company through

[1] The Energy Affordability Act (HB 2475 – 2021 Regular Session) amended ORS 756.610, ORS 757.230, and ORS 757.072 and enacted new provisions to address equity in rate setting and participating in PUC proceedings, effective January 1, 2022. Or Laws 2021 Ch. 90.

charges paid by all retail electricity consumers, such that retail electricity consumers that purchase electricity from electricity service suppliers pay the same amount to address the mitigation of energy burdens as retail electricity consumers that are not served by electricity service suppliers.[2]

OAR 860-021-0407 establishes a severe weather moratorium on involuntary disconnection of residential utility service for non-payment. Pursuant to this rule, a utility may not disconnect a residential service for nonpayment from November through March on any day that a temperature of less than 32 degrees Fahrenheit is forecasted or a winter storm warning indicating weather conditions that pose a threat to life or property is issued by the applicable weather reporting service. OAR 860-021-0407(1). Similarly, an electric utility must not disconnect residential service for nonpayment on any day a local heat advisory is issued by the weather reporting service. OAR 860-021-0407(2). Such moratoriums on disconnection must remain in effect until at least the start of the next business day.

OAR 860-021-0305(c) states that an energy utility may disconnect a customer when the customer fails to pay Oregon tariffed or price-listed charges for services rendered.

OAR 860-0407(9) provides that upon request from a customer who has been disconnected for nonpayment within the previous 72 hours of a severe weather or air quality condition outlined in sections (1), (2), and (3) of this rule, an energy utility must make best efforts to reconnect service. The energy utility may apply reconnection fees authorized in OAR 860-021-0330 to any reconnection.

OAR 860-021-0305(1)(a) provides that an energy utility may disconnect service when an applicant or customer fails to pay a deposit or make payments in accordance with the terms of a time payment agreement.

Pursuant to OAR 860-021-0330, an energy utility may charge a reconnection fee in its tariff except for when the following exceptions apply: (1) when the utility has the ability to perform remote reconnections, it may not charge a reconnection fee for a low-income residential customer, (2) for utilities that do not have the ability to perform remote reconnections, the utility may not charge the reconnection fee for a low-income residential customer for the first two reconnections in a calendar year, and (3) natural gas utilities may not assess reconnection fees for low income residential customers for the first reconnection in a calendar year.

OAR 860-021-0335(2) provides that an energy utility shall provide service to a residential customer or applicant upon receiving payment equal to at least one-half of any overdue amount of an Oregon tariffed or price-listed charge and any other like obligation related to a prior account…provided the customer or applicant has made

[2] ORS 757.695(2).

reasonable or partial payment on the account during the time the service has been discontinued.

OAR 860-021-0126 governs utility late-payment charges and states that an energy utility may apply a late charge to customer accounts that are not paid in full each month, provided the utility has filed the late-payment charge in its rate schedule. OAR 860-021-0126(1). OAR 860-021-0126 further provides hat energy utilities shall not impose late-payment charges on the accounts of low-income residential customers.

OAR 860-021-0200(2) authorizes utilities to collect deposits from customers that are not low-income. Such deposit may be collected when a customer fails to establish credit for utility service, was a previous customer of the utility before termination of service and left with an outstanding balance or was terminated as a customer due to theft or tampering with the utilities facilities.

OAR 860-021-0205(7) provides that "[i]f disconnection for nonpayment of a deposit occurs, the customer disconnected shall pay the full amount of the deposit, any applicable reconnection fee, late-payment fee, and on-half the past due amount before service is restored."

OAR 860-021-0005 provides that the Commission, upon its own motions, may waive any of the Division 021 rules for good cause shown.

OAR 860-086-0030(2)(i) states that electric companies must transfer rate schedule identifier information for each customer account to Energy Trust. Similarly, OAR 860-086-0040 (1)(a)(H) provides that gas utilities that offer energy conservation programs through ETO must provide rate schedule identifier information for each customer account with Energy Trust, provided the information is available in the gas utility's records.

Analysis

Background
Effective January 1, 2022, Oregon House Bill 2475 (HB 2475) expanded language under ORS 757.230 to include additional factors the Commission may consider when establishing rate classifications. Such factors included "differential energy burdens on low-income customers and other economic, social equality or environmental justice factors that affect affordability for certain classes of utility customers." The Commission has initiated a phased implementation effort that begins with interim actions to provide customers near-term relief followed by a longer-term investigation to fully explore and establish the Commission's policies for differential rates and programs.

In the first phase of HB 2475 implementation, the Commission approved interim bill discount programs based on household income for Portland General Electric (PGE), PacifiCorp (Pacific Power), Northwest Natural Gas Company (NW Natural), Avista Utilities (Avista), and Cascade Natural Gas Company (Cascade). As of October 15, 2024, Idaho Power Company (IPC) has also implemented a bill discount program under the authority of HB 2475.

Phase two of Staff's HB 2475 implementation effort was scoped in the first quarter of 2024 and focused on:

- Establishing an energy burden data reporting framework.[3]
- Identifying near-term opportunities to overcome barriers to access for weatherization, energy efficiency, and current utility bill discount programs.
- Discussing bill discount program improvements in general rate cases and initiating broader rates discussions in Q1 2025.[4]

Staff revised this strategy in August 2024 following concerns with the level of arrearages and disconnections observed in 2024.[5] The revised workstream allowed Staff to focus its efforts on interim protections that would mitigate customer harms associated with arrearages and disconnections prior to the 2024-2025 heating season.

In addition to the UM 2211 work streams, NW Energy Coalition (NWEC) and the Coalition of Communities of Color (CCC) submitted a letter to the Commission on November 13, 2024, requesting postponement of the re-enrollment process for PacifiCorp's income qualified bill discount program until October 2025 or until PacifiCorp can successfully engage with advocates on its outreach and support plans around re-enrollment.[6]

Despite the volume of ratemaking dockets and complex matters before the Commission in 2024, a broad group of UM 2211 participants made time to engage in a meaningful discussion of near-term opportunities to advance the goals of HB 2475. This year-long effort culminated in two sets of recommendations for consideration by the Commission: 1) interim arrearage and disconnection protections for the 2024-2025 heating season and 2025 cooling season; and 2) near-term opportunities to enhance delivery of energy efficiency and weatherization to energy burdened customers. The remainder of this Staff report outlines Staff's key findings and recommendations in these two work

[3] Staff plans to bring the energy burden data reporting framework to the Commission for consideration at the December 10, 2024 Regular Public Meeting.
[4] *See In re OPUC Implementation of HB 2475*, *Staff's Phase 2 Survey Synthesis and Updates*, OPUC Docket No. UM 2211, April 16, 2024 (available at: https://edocs.puc.state.or.us/efdocs/HAH/um2211hah327921024.pdf).
[5] *See In re OPUC Implementation of HB 2475*, *Phase 2 Work Plan Update*, OPUC Docket No. UM 2211, Aug 6, 2024 (available at: https://edocs.puc.state.or.us/efdocs/HAH/um2211hah330538055.pdf (accessed Nov 13, 2024).
[6] *See In re OPUC Implementation of HB 2475, NWEC and CCC Request to Temporarily Suspend PAC's Low-Income Discount Re-Enrollment Process*, OPUC Docket No. UM 2211, November 13, 2024 (available at: https://edocs.puc.state.or.us/efdocs/HAH/um2211hah332933120.pdf).

streams and responds to stakeholders' request to pause PacifiCorp's reenrollment process for its low-income discount program.

Arrearage and Disconnection Workstream
As several stakeholder comments have pointed out, rescoping Phase 2 to include the arrearage and disconnection workstream and timeline necessitated an accelerated engagement process, particularly given the urgency of having additional protections and relief available in the 2024-2025 winter heating season. Staff endeavored to find ways to meaningfully engage utility and non-utility stakeholders along this expedited timeline and against concurrent docket schedules. Some of these concurrent proceedings included contested general rate cases (GRC) where stakeholders participating in both the GRC(s) and UM 2211 were raising similar concerns around arrearages and disconnections and proposing potential Commission actions.

That said, through UM 2211, Staff provided a series of workshops and comment periods in order to gather feedback and share Staff's ongoing review of available arrearage and disconnection data, and emerging ideas on how to address these issues. In these venues, Staff brought forward ideas for the group to consider from various sources, including but not limited to: existing utility-specific programs; recently completed Oregon Investor-Owned-Utility (IOU) Energy Burden Assessments (EBAs); Oregon IOU general rate case testimony; Oregon's 2021 rulemaking to strengthen customer protections concerning disconnections, AR 653; National research; and other state policies and practices. Initiating discussions was Staff's workshop on the Staff Residential Arrearage and Disconnection Assessment held on September 17, 2024.

Stakeholders provided comment on the assessment through October 18, 2024. Staff notes that the review of the document and comments provided a valuable look at some of the existing data challenges, including but not limited to, post-filing corrections and reporting differences between utilities. Staff looks to address many of these challenges for future reporting through its proposed Energy Burden Metrics Report (EBRM) coming before the Commission as part of the data workstream. Staff also flags that during the workshop, utility stakeholders helped to identify a limited set of inaccuracies on certain graphs shown in the assessment. PGE and Avista provided corrected versions of the affected graphs in October 9, 2024, comments.

To the extent that several utility stakeholder comments provided little feedback on possible protections, implementation considerations, and existing arrearage and disconnection mitigation proposals linked from other dockets and discussions, Staff strived to develop a list of *potential* actions for the group to consider in a draft document and provide direct comment with the goal of refining the list based on this input. As such, on October 25, 2024, Staff filed its initial draft Arrearage and Disconnection Action Plan for stakeholder comment. In response to requests for additional engagement and comment periods, Staff agreed to an extended timeline inclusive of two additional workshops to discuss the plan prior to a revised comment deadline and later public meeting date.

While there was some misunderstanding regarding the state of finality and intent of Staff's initial draft from utility stakeholders, positively, both the draft and subsequent workshops provided a platform for robust dialogue, valuable information sharing, and productive change. Staff genuinely appreciates stakeholders' willingness to come to the table, particularly for limited noticed workshops, and talk through concerns, objectives, and solutions. Following the second workshop, held on November 7, 2024, workshop, Staff shared a second working draft, with redlines and working commentary, to help stakeholders inform comments and memorialize the evolving action plan. One of Staff's central goals with engagement in this process has been to create a final Action Plan proposal that is reflective of the various concerns and perspectives of UM 2211 utility and non-utility stakeholders, and centered on the overarching priorities of:

1. Reducing harms in high-risk conditions (e.g., weather and customer specific).
2. Reducing financial barriers to getting and staying connected.
3. Providing broad customer protections to increase reach and efficacy of priorities 1 and 2.

Staff Recommendations – Arrearage and Disconnection Protections
The following list captures Staff's final recommendations, in detail, to provide near-term interim relief to residential customers from the harms of arrearages and disconnection. Staff is recommending that the Commission adopt these temporary protections in advance of significant seasonal spikes in residential usage attributable to the winter heating season. Staff is also recommending the Commission allow the protections to remain in effect through September 30, 2025, in order to maintain these enhanced protections through the 2025 cooling season and until the conclusion of Staff's planned rulemaking that would seek to formalize a version of enhanced protections against disconnection. Staff also requests that to the extent a waiver is needed for utilities to comply with these enhanced protections, that the Commission grant the necessary waivers. A detailed list of the following table is provided in Attachment 1.

Proposed Action Plan Items	Open Issue in GRC	Relevant OAR	Recommended Exemptions
Expanded Eligibility			
1a. Define new eligible population as "qualified households" (up to 80% SMI and med cert)	N	OAR 860-021-0180; OAR 860-021-0410	Exemption for Idaho Power
1b. Expand IPC Winter Protection Program to include IPC Bill Discount for Qualified Customers Program participants[7]	N		
Cold Weather Protections			
2a. Add Date-Based moratorium for qualified households (December 1 - April 1)	Y	OAR 860-021-0407(1)	Exemption for Idaho Power *Alternate recommendation: Exempt natural gas utilities*
2b. Expand Low Temperature-Based Protections to cover 24-hours before severe weather	N	OAR 860-021-0407(1)	Exemption for Idaho Power
Hot Weather Protections			
3a. Expand the Temperature-Based moratorium to include the 24-hours before and 48 hours following a local heat advisory in counties where the Exposure Index is greater than 65	N	OAR 860-021-0407(2)	Exemption for all natural gas utilities and Idaho Power[8]
Reconnection Costs			
4a. Allow recently disconnected qualified households to request reconnection up to 7 days before severe weather without reconnection fees	N	OAR 860-021-0407(9)	Natural gas utilities exempt in severe hot weather IPC applies to expanded definition of WPP customers
4b. Eliminate all reconnection charges for bill discount participants earning 0-15% SMI	Y	OAR 860-021-0330	
Arrearage Relief			
5a. One-time arrearage Forgiveness to households earning at or below 0-5% SMI	Y	-	Already in compliance: Avista, Cascade Natural Gas Exemption for Idaho Power
5b. Offer qualified households enrolled in bill discount minimum 1-month date-based forbearance options on TPAs upon request (available Dec 1-April 1 and July 1 – Sep 1)	N	-	Already in compliance: Avista, Cascade Natural Gas Exemption for Idaho Power
HB 2475 Discounted Rate Programs			
6a. Increase monthly discounts for tier(s) for 0-10% SMI	Y	-	Already in compliance: Northwest Natural, Avista, Cascade Natural Gas Exemption for Idaho Power
Noticing and Outreach			
7a. Notify customer of enhanced protections during key touch points	N	-	
7b. Notify Community Action Agencies of enhanced protections	N	-	
7c. Post information on enhanced protections on website	N	-	
7d. Train customer service representatives on enhanced protections	N	-	

[7] https://docs.idahopower.com/pdfs/aboutus/ratesregulatory/tariffs/bill-discount-qualified-customers-program.pdf
[8] *Currently, only Multnomah County has an exposure index of >65.* https://experience.arcgis.com/experience/5f6a0e1785524df8853e94776693d0f7/page/HVI-County/.

Actions removed from original draft near-term proposal to be explored in future proceeding			
Define "Qualified Households" for enhanced protections beyond income			
Direct contact for disconnection under before during and after severe weather			
Standardize and direct minimum past-due amount for disconnection			
Prohibit the use of disconnection prioritization scores on Qualified households			
Limit the required balance pay-off for Qualified households seeking reconnection			
Eliminate reconnection charges and all arrearage and disconnection related fees for Qualified Households			
Eliminate late fees for all residential customers	Y		
Eliminate security deposits for all residential customers			
Retroactively apply qualified discounts to customer arrears	Y		
Arrearage Management with tiered matching payments			
Adopt flexible TPA and AMP term structures			

Staff notes that Action Plan item (6) “HB 2475 Discounted Rate Programs” is only applicable to Portland General Electric and PacifiCorp, as written. Further, changes to the discounts of these programs are currently under Commission consideration in the on-going general rate case proceedings. Staff would clarify that it has included that item in this Action Plan to reflect Staff’s opinion on the value of deeper discounts for lower income tiers to reducing the harms of arrearages and disconnections. That said, the presence of item (6) in the Action Plan is not intended to supersede or be duplicative of any decisions on income qualified bill discount program proposals in either Portland General Electric’s UE 435 or PacifiCorp’s UE 433. Staff’s understanding is that it is at the Commission’s discretion to adopt guidance relative to qualified discount programs in either the aforementioned rate cases or this docket, should it choose to at all. In the event the Commission does adopt discount changes in either proceeding, Staff would further clarify that the September 1, 2025, sunset date applicable to all other Action Plan items, would not be expected to apply income qualified bill discount programs.

For the purposes of this docket and workstream, Staff is asking the Commission to decide whether it will direct the utilities, to implement the near-term interim protections as outlined in the summary table and detailed in Attachment 1. Accepting any or all of Staff’s recommended protections in this proceeding would provide a bridge between the 2024-2025 winter heating season and the adoption of permanent rules following additional engagement and process in 2025. If the Commission declines to adopt Staff’s protection in favor of prioritizing the additional engagement and process, Staff will endeavor to bring a proposal for a formal rulemaking before the Commission in or before Quarter 2, 2025.

Strategic Approach
As noted earlier in this memo, Staff’s primary focus in crafting its recommendations has generally centered on three priorities. The first has been to advance actions that reduce harms when the risk of harm is highest. For example, during severe weather and for vulnerable households. Second, Staff sought to identify interim actions that promote energy security for vulnerable households. For example, those that would provide for targeted relief from arrearages and utility disconnection or reconnection policies that exacerbate affordability challenges and customer harms. Lastly, given the reality that eligibility-based protections often do not reach all the intended households, Staff has recommended a limited selection of expanded protections that could be assessed broadly across all residential customers without requiring enrollment or account identification.

Staff reiterates that these actions are meant to provide near-term relief from the rate pressures facing customers in both the 2024-2025 winter heating season and, for some utilities, rate increases, effective January 1, 2025. While there is a hot-weather inclusion that some have argued lacks the urgency of the cold-weather protections, Staff has put this forward as a safeguard, should rules not materialize before the 2025 cooling season when the urgency emerges to avoid heat-related harms.[9]

Staff has observed increases in both arrears and disconnections in response to both seasonal usage spikes and immediately following a rate increase. It is widely known and evidenced, across the state, country and globe, that the health and financial consequence of an energy shut off can be significant. Research has shown energy insecurity is linked to poor respiratory health, poor sleep, food insecurity, and adverse mental health outcomes. The economic impacts of a customer's inability to pay and resulting disconnection can also lead to evictions, foreclosures, low credit scores, the inability to establish future service accounts, and children being removed from their parent's care. These impacts disproportionately affect already vulnerable households, such as low-income, black, and other environmental justice communities. These are realities that are well-documented[10] and persist regardless of interpretations on "the level of crisis" between stakeholders. While Staff is certain that further investigation and proposals are needed to fully explore and address these challenges, Staff believes the Action Plan items proposed in this phase provide a balanced and measured strategy to combat this climate of heightened risk and potential harms without overreaching ahead of additional process.

Staff clarifies that these proposed protections are also a way of standardizing some baseline and last stage protections against harms facing customers. There are some utilities where current practices have the potential to provide greater protection for customers in case-by-case scenarios. Staff appreciates those instances and policies demonstrated by Avista's crisis grants and "feel free to fix it" practices. These are excellent models that elevate the human component in utility service.

Staff believes that the proposal does not impede on these and other existing practices, but rather raises the bottom line that utilities remain free to outperform, provides relief in territories where these types of programs are not readily available or consistently administered, and fills in persistent gaps within existing protections that have come to light over the last year. Staff is confident that the final version of the Action Plan it has brought before the Commission offers meaningful relief from the harms of disconnection with thoughtful refinements that embrace collaboration and endeavor to accommodate stakeholder feedback, particularly regarding implementation, fuel- and utility-specific nuance, cost control, and intersections with existing rules. In the interest of providing some additional context to the proposals Staff ultimately decided to include, Staff would offer the following supporting discussion points behind the Action Plan:

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[9] https://www.oregon.gov/oha/ph/preparedness/prepare/pages/prepareforextremeheat.aspx?utm_source=OHA&utm_medium=egov_redirect&utm_campaign=https%3A%2F%2Fwww.oregon.gov%2Fheat; https://www.oregon.gov/oha/PH/HEALTHYENVIRONMENTS/CLIMATECHANGE/Documents/FINAL%20Climate%20Health%20in%20Oregon%202023%20v071124%20(1).pdf.

[10] Laird, J., & Hernandez, D. (2021). Surviving a shut-off: U.S. households at the greatest risk of utility disconnections and how they cope. *American Behavioral Scientist.*

- ***Cold- and Hot-weather Related Protections:*** Regarding severe weather, Staff's proposal is designed to address major health risks associated with energy limiting behaviors, poor housing infrastructure, climate change effects and heat islanding. It is further meant to address gaps relative to disconnections that occur more than 72 hours prior to a severe weather event, which can leave many households exposed to dangerous temperatures if they are unable to reconnect through traditional means. Staff finds that providing additional runway and safety nets for households to get reconnected or preemptively heat and/or cool their house in advance of dangerous temperatures can have a significant positive impact on health and human safety and should be implemented prior to what is forecasted to be a wetter and colder winter for Oregonians.[11]

- ***Arrearage Relief, Reconnection Fees, and HB 2475 Discounts:*** Staff has endeavored to take a very incremental and targeted approach, limiting its proposals to households earning 10 percent SMI or below in terms of direct assistance provisions, or 15 percent SMI and below for relief from reconnection charges. It is important to note that customers struggling to pay existing energy bills cannot respond to fee signals nor compound monthly energy bills with unassisted payment arrangements for past due balances without incurring additional harm. This harm takes form in cyclical disconnections, energy limiting behavior, foregoing other essential household needs,[12] and all the many byproducts of those outcomes mentioned earlier in this section. By taking actions that can reduce the monthly energy burden these households experience and the degree to which arrearages and seasonal spikes exacerbate the burden, we will be more successful and mitigating the associated harms of energy insecurity and disconnection. Staff is recommending that utilities implement arrearage relief terms adopted in this proceeding no later than January 1, 2025.

- ***Noticing and Outreach:*** Staff has tried to craft this part of the proposal to build in flexibility for both input from community stakeholders and utility existing practices. The primary objective in this section of the Action Plan is to ensure that customers are made aware of their protections to the full extent possible and particularly at critical junctures in the energy assistance and/or disconnection process. Staff does not wish to be overly prescriptive but encourages actions that avoid common pitfalls in communication and outreach strategies. Several utility EBAs noted a significant number of customers eligible for assistance that did not access it and were ultimately disconnected for nonpayment. Staff hopes that in the interest of allowing any adopted actions to have meaningful impact for customers, utilities can work with UM 2211 parties and their existing systems to help households access the right programs and protections.

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[11] https://www.opb.org/article/2024/10/18/noaa-releases-annual-winter-outlook-for-2024-2025-season.
[12] Bhattacharya, J., DeLeire, T., Haider, S., & Currie, J. (2003). Heat or eat? Cold-weather shocks and nutrition in poor American Families. *American Journal of Public Health. (93).*

- ***Expanded Eligibility:*** Staff has heard from several stakeholders and UM 2211 contributors that the current income-qualifying thresholds for many of the state's assistance programs fail to reach many utility customers that experience the same energy insecurity and persistent harms as those who do qualify. This is because the gross income measure, particularly at 60 percent SMI, does not account for other socioeconomic characteristics of the household that can lead to disproportionate energy burden and increased risk for energy insecurity. While Staff initially proposed a more comprehensive and inclusive definition of "qualified households" to expand eligibility for enhanced protections, following discussions with stakeholders, Staff ultimately decided to propose a more limited change in recognition of near-term implementation needs and the need for additional engagement and input on the definition and included populations. To this end, Staff has proposed to define qualified households in this proceeding as households who verify or self-attest to a household income up to 80 percent SMI, adjusted for household size and medical certificate accounts. Additionally, due in part to the exemptions afforded to Idaho Power Company for many cold weather protections as a result of the Company's existing Winter Protection Program (WPP), Staff has proposed to expand eligibility of the IPC WPP to include participants in its Bill Discount Program for Qualified Customers. Staff believes these expansions successfully mitigate the negative impacts of known gaps in current eligibility thresholds and help extend relief to customers exposed to similar level of risks as a result of hardships and vulnerabilities not reflected in current eligibility assessments. Staff has also heard from utilities that this approach presents fewer administrative challenges and is more likely to be successful in providing targeted protections in the near term.

Staff would note that changes from actions proposed in Staff's initial draft should not be interpreted as action lacking merit. Reasons for removal or refinement likely included one or more of the following:

- Significant implementation challenges for utilities as a near-term action.
- Did not evidence sufficient urgency to address significant or disproportionate harms in either the 2024-2025 winter heating or 2025 summer cooling season.
- Significant value to be garnered from additional process and investigation without significant risk from delayed adoption.
- Reasonable alternative proposed in its place.

Staff intends to take many of the current and since removed or refined actions under review within the more comprehensive process and rulemaking to go before the Commission in 2025.

<u>Stakeholder Comments</u>
Overall, Stakeholders agreed upon the importance of data-supported actions that reflect the available existing programs and any identified gaps. Joint Energy Justice (EJ)

Advocates highlighted the importance of a shared understanding of disconnection protections, practices, and available utility programs surrounding arrearages, along with up to date data reporting from utilities to fully understand the scope and scale of the problems.[13] Joint Utilities stressed that the baseline information presented in Staff's assessment and workshop surfaced questions about customer trends and urged for the actions to be reflective of the currently available programs and utility systems along with data.[14] The following section summarizes and responds to key feedback on Staff's proposal.

Level of Crisis and Need for Action

Within this workstream, Staff has focused on two aspects of minimizing exposure to the most unsafe disconnections: addressing the magnitude of existing arrearage balances and limiting the conditions under which customers get and remain disconnected.[15] These areas of concern were observed in RO 12, the energy utility disconnection reports, and within PacifiCorp's (UE 433) and PGE's (UE 435) recently filed rate cases. For example, average arrears for each of the reported aged-buckets have risen for PGE customers over the last two years where the data was reported. PacifiCorp customers in various aged arrears have seen some declines in the last 24-months but total residential arrears are more than double pre-pandemic levels. Staff sought action within this workstream in alignment with HB 2475 as an additional step to monitor utility interim bill-discount programs and to provide additional support to help mitigate energy burden for vulnerable customer populations, which are often more susceptible to disconnection.

Stakeholder Comments

The Joint Utilities highlighted in comments that "arrearage and disconnection trends are not uniform across all utilities and are not clearly in a broad state of crisis." Additionally, Joint Utilities were concerned that Staff had not articulated an actionable problem statement and stated that Staff implied disconnection itself was the problem.[16]

EJ Advocates' Additional Comments support near term action citing the data on customer arrears pointing to a need for a different approach as indicated by utilities Energy Burden Assessments.[17] Additionally, Joint EJ Advocates flag that we are seeing pre-pandemic levels of disconnection despite two years of HB 2475 interim discount

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[13] Joint Energy Justice Advocates, September 24, 2024, UM 2211 – Energy Advocate's Initial Comments on Staff's Residential Arrearages and Disconnections Assessment, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac331602120.pdf.

[14] Joint Utilities, October 9, 2024, UM 2211, Joint Utility Response to Staff's Residential Arrearage and Disconnection Assessment, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac331985120.pdf.

[15] OPUC Staff, October 25, 2024. UM 2211, Staff's proposed Phase 2 Arrearage and Disconnection Action Plan, https://edocs.puc.state.or.us/efdocs/HAH/um2211hah332395120.pdf.

[16] Joint Utilities, October 9, 2024, UM 2211, Joint Utility Response to Staff's Residential Arrearage and Disconnection Assessment, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac331985120.pdf.

[17] Joint Energy Justice Advocates, October 18, 2024, UM 2211 – Energy Advocates' Additional Comments on Arrearages and Disconnections Workstream, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac332214120.pdf.

programs and improvements to rules related to disconnection through AR 653.

<u>*Staff's Response*</u>
Staff has consistently maintained that the objective of the Arrearage and Disconnection workstream in Phase 2 of UM 2211 is mitigating human harms associated with these processes, particularly where they are exacerbated by socioeconomic inequities. While the volume of aggregated arrearages and disconnections varies across utilities, the level of risk to the most exposed customers does not. Staff's interim proposal is focused on protections for the subset of customers facing the most unsafe circumstances, rather than focusing on a generic reduction in the volume of disconnections. To the extent that customers are facing these circumstances at any utility, Staff does not see a benefit in restricting access to the interim protections. To the extent that the utility has existing mechanisms that offer similar or more comprehensive solutions, Staff has endeavored to reflect that.

Staff also disagrees that current arrears and disconnection levels are safe for customers simply because some utilities are returning to pre-pandemic levels. While Cascade and Avista have seen declines in disconnection rates in the last year, they are unique, and Staff does not believe that two-years and tens of millions of dollars in assistance can have a negligible impact and not warrant additional review or action. Further, if the energy burden mitigation effects of the discount programs can reasonably be argued to have such a long runway, then Staff finds all the more value in providing some additional enhancements to protections against the harms of arrearages and disconnections while these programs take effect.

Administrative Challenges and Utility System Capabilities
Staff acknowledged in the draft Action Plan that many of the proposed actions require utilities to adjust practices and systems to allow for identification of eligible customers for enhanced protections and that this has previously been an area of expressed concern.[18]

<u>Stakeholder Comments</u>
Utilities raised concerns around the administrative challenges and system adjustments that would be required to implement a number of the Action plan proposals by January 1, 2025. In written comments utilities offered that they could include expanded protections for known income-qualified households and medical certificate holders by the January 1 timeline, but that for expanded households they would need a few additional months for systems to be ready. Additionally, certain proposals would require manual intervention. For example, reconnecting customers upon request in conjunction with enhanced weather protections cannot be automated. In PGE comments, the utility

[18] OPUC Staff, October 25, 2024. UM 2211, Staff's proposed Phase 2 Arrearage and Disconnection Action Plan, https://edocs.puc.state.or.us/efdocs/HAH/um2211hah332395120.pdf.

requested clarity on temporary actions and a desire for continuity for customers and raised that expanding income thresholds would require collecting and standardizing new income data, which would be difficult on an expedited basis. In written comments, Cascade noted that with the number of protections they would need to hire an additional staff member to manage implementation.

> *Staff's Response*
> *Staff appreciates the valuable clarity that many of the utilities provided during the workshops around how certain proposals could be administered, as well as others where the ability to implement was unknown and potentially problematic. Staff remains sensitive to administrative feasibility and the benefits of long-term continuity for customers. In response, Staff made the following modifications to its interim proposal: simplifying and narrowing the definition of qualified households; eliminating broad residential customer fee relief; incorporating relevant exemptions for fuel- and utility-specific considerations; removing direct contact recommendations, and narrowing arrearage relief. For proposals that remained intact or modified, Staff believes that it has either received sufficient utility and broad stakeholder support, and/or the potential harm absent these expansions outweighs the administrative burden of implementation.*
>
> *That said, the inclusion of a "sunset date" and framing of certain elements as one-time is meant to (1) balance Staff's belief in the need for near term action with the reality that the traditional rulemaking process may not conclude prior to the end of the 2024-2025 winter heating season or even potentially the 2025 cooling season; and (2) be responsive to the call from stakeholders for assurances that Staff will provide the desired level of space, time, and engagement before recommending permanent actions. It remains Staff's intention to initiate and conclude additional process on this topic prior to the September 1, 2025, sunset and as a byproduct, potentially resolve some continuity concerns.*

Balancing Utilities' Ability to Collect and Cost Shifting with Mitigating Harm
Staff's proposal prioritizes keeping people connected over assessing punitive fees.[19] This has a direct impact on customer safety, but raised questions about cost shifting and utility revenue.

Stakeholder Comments
Utilities highlighted concern around the balance of being able to continue collecting from customers and incenting customers to pay their bills with the proposed protections. This included wanting to prioritize actions that will have the biggest impact while having hesitancy around what costs will look like for all customers. In the same workshop, EJ

[19] OPUC Staff, October 25, 2024. UM 2211, Staff's proposed Phase 2 Arrearage and Disconnection Action Plan, https://edocs.puc.state.or.us/efdocs/HAH/um2211hah332395120.pdf.

advocates flagged the weaponization of poverty in some of these conversations and that keeping people alive is not always going to align with continuing to make revenue.

Natural gas utilities pointed out a seasonal usage concern where they see natural gas customers choose to allow the utility to disconnect their service at the end of the winter season, leaving past due balances on their accounts, and the utility without payment until the customer seeks reconnection the following winter. This issue was raised in response to the date-based moratorium proposal and highlighted that if gas customers lacked any incentive to pay their gas bills during the protected months and subsequently allowed disconnection to occur in April, unintended costs and consequences would arise. Not only would the gas utility have very limited capacity to collect payment for the services provided, but the customer would face significant charges to reconnect the next winter.

Staff's Response
Staff has not observed nor seen reported large cost increases after implementing the much more comprehensive expanded protections from AR 653. Further, several states across the country offer date-based disconnection moratoriums for utility customers. Staff is cognizant that overly broad moratoriums without proactive utility efforts to help customers stay out of arrears can present risks to the utility and customers, but a broad moratorium is not being proposed here. Staff refined its draft to reduce administrative burden and remove some items where additional costs were more likely to be not insignificant, such as limiting the more comprehensive definition of qualified households to only 80 percent SMI and medical certificate households and allowing for winter protection program exemptions like in existing rules. Staff also remains interested in understanding the significance of cost implications from expanding disconnection protections in the limited manner it has been proposed.

Staff is also sensitive to the concern raised by natural gas utilities and can confirm that seasonal usage and summer disconnections are a reality for these companies. In Staff's arrearage and disconnection assessment, Staff observed the ratio of reconnections to disconnections decline in the summer months for all three gas utilities compared to the consistency of the measure for electric utilities. Staff endeavored to explore ways to address the seasonal usage issue and considered the possibility of an exemption for natural gas utilities, particularly where other safeguards and services such as robust arrearage forgiveness/management was available to customers. If the Commission were sympathetic to this approach, then the winter date-based moratorium would only apply to PacifiCorp and PGE. That said, Staff has not made that option its primary recommendation to the extent that some gas customers could remain exposed to unsafe shutoffs at a time when natural gas is most essential.

Staff recommends that the Commission authorize utilities to track the additional

> *costs from the interim measures in a manner that can be shared with Staff and stakeholders on July 1, 2025, and after the final sunset date in the event of an extension and/or adopted permanent rules. Staff further recommends that incremental costs accrued for enhancing existing practices, such as waived reconnection fees, reconnecting in advance of severe weather, be recorded for recovery in the appropriate expense category consistent with existing utility accounts (i.e., in the same manner additional costs from expanded protections in AR 653 were managed). Finally, specific to arrearage support and any changes to existing income-qualified bill discount programs adopted in this proceeding, Staff recommends the Commission authorize recovery in the existing automatic adjustment clause for these programs.*

Expanding Protections to Additional Customer Groups

Currently, most protections and energy assistance programs available for Oregon IOU customers are based on income-eligibility. Not only do these models pose access and enrollment issues, but eligibility methodologies such as "gross income" tend to overlook household characteristics that are strongly correlated with energy insecurity. Further, the governing law driving this implementation effort explicitly includes "other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers, and any other reasonable consideration"[20] in the context of developing rates, discounts, and programs to mitigate energy burden and affordability challenges. It does not limit programs by income guidelines.

The current administrative rules provide enhanced protections for qualifying households, defined as households at 60 percent SMI or below. Staff's original proposal sought to introduce additional customer characteristics to the definition of qualifying households, such receiving local, state, or federal public assistance.

<u>Stakeholder Comments</u>

Utilities raised concerns during Staff's two workshops around the broadness of expanding to include "Qualified Households" flagging that without data it would be difficult to know how many customers this expansion would include, how to verify these customers, or whether customers that fall under the definition would actually struggle with energy insecurity. Additionally, utilities had concerns about how quickly they could build the systems to navigate expanding protections and offered that they currently have flexibility for customers who call in seeking assistance, but that customers are not reaching out.

EJ advocates offered looking at other state or federal programs where there could be categorical eligibility to help with quicker implementation or adding a higher SMI percentage alongside the definition to help ease utilities concerns. Additionally, EJ advocates have discussed with Staff and included in comments that outreach and

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[20] ORS 757.230.

engagement around customer protections need to increase and should include clear and accessible information so customer understand how to connect with available protections, how long the protections will last, and other program information. In Idaho Power's written comments, they raised concern with the definition when looking specifically at their service territory, which the recent Low-Income Needs Assessment indicated that nearly 80 percent of households in the Company's Oregon service territory fall below 80 percent SMI which leads to uncertainty around the number of customers that would meet a criterion that included a more expansive income cap.

Staff Response
Staff is sympathetic to the implementation challenges expanding qualifying characteristics beyond discretely measurable values, such as income may pose for utility systems. Staff also recognizes that introducing such a significant evolution into an accelerated process with limited engagement and refinement opportunities is less than ideal. Therefore, Staff revised its proposal for the definition of qualifying households. Staff's revised proposal enhances the definition of qualifying households to include customers at 80 percent SMI and customers with medical certificate. Staff believes this information that is readily available to the utilities and provides a reasonable bridge between what can be achieved now, and what we hope to pursue in the future.

That said, Staff is committed to working with stakeholders to incorporate more inclusive language in the rules on a permanent basis. EJ Advocates identified other states with broader definitions and several Oregon IOU EBAs emphasized the need to address "the assistance gap" and "ALICE" households (otherwise known as Asset Limited, Income Constrained, Employed) where protections and assistance is not available, but need and insecurity persist. In order to balance the multitude of factors at this stage of implementation, including but not limited to valid implementation concerns, real evidence of household need beyond the 60 percent SMI threshold, near-term relief objectives, and the value that would come from additional collaboration on this issue, Staff has modified the proposal to remain tied to income, but extend to 80 percent SMI and include medical certificate accounts.

Arrearage and Disconnection Workstream Conclusion

Staff believes that accelerated, flexibility, shared goals, and collaborative stakeholder engagement have allowed this process to be successful in terms of the final Action Plan proposal before the Commission. Staff further believes that the proposed actions provide implementable, strategic, and meaningful enhancements to arrearage and disconnection protections that will ultimately reduce both risk and harm for residential customers in the coming months. Should the Commission decline to adopt these near-term recommendations but express interest in pursuing them in a more formalized process, Staff would proceed with its plans to initiate an informal rulemaking process where UM 2211 stakeholders can investigate the practicality and impacts of implementing these and other previously proposed protections and program enhancements for adoption some time in 2025.

That said, Staff would clarify that postponing the adoption of these interim protections would eliminate the opportunity for customers to access the protections and related positive impacts of this proposal prior to that time, prolonging risk exposure to the harms of disconnection, particularly in the increasing cold of the 2024-2025 winter heating season. To this end, we find that the Commission should adopt the proposed Action Plan discussed in this section of the memo.

Energy Efficiency and Weatherization Workstream

Staff's goals in this workstream were to develop an overview of existing programs in the space of low-income energy efficiency and weatherization, identify gaps and opportunities, and outline a near-term action plan. Staff gathered information through individual meetings with various stakeholders, as well as at a public workshop and public comment period. Based on that, Staff developed eleven short term actions to improve weatherization and energy efficiency services for low-income households as discussed in Attachment 2. Staff believes it is too early to establish a new funding mechanism under HB 2475 authority and create a new delivery network, as some advocates request. Further coordination between state agencies, and potentially legislators, is necessary to determine the best way forward regarding new funding mechanisms. Staff will continue to evaluate throughout 2025 and update this recommendation in 2026.

One of Staff's action items requires Commission action. Energy Trust should use utility data to target low-income households with its low- and no-cost offers.[21] Staff memorialized this guidance in its recommendations on Energy Trust's budget in 2022,[22]

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[21] *See In re OPUC Implementation of HB 2475*, OPUC Docket No. UM 2211, Staff Presentation for Workshop to be held on 10/10/24 at 11 am, filed by Benedikt Springer, Oct 3, 2024, available at: https://edocs.puc.state.or.us/efdocs/HAH/um2211hah331836120.pdf (accessed Nov 13, 2024) (stating that to improve accessibility, the Energy Trust of Oregon should target low-income and high energy efficiency potential users with utility data).

[22] OPUC Staff Report, *Energy Trust of Oregon: Presentation of 2023 Draft Budget and 2023-24 Action Plan*, Oct 25, 2022, available at: https://oregonpuc.granicus.com/MetaViewer.php?view_id=2&clip_id=1040&meta_id=34576 (accessed Nov 13, 2024).

2023,[23] and 2024.[24] The Commission adopted Staff's recommendations.[25] However, Staff believes that further Commission direction is required to ensure that all applicable utilities are providing the data required for this.

Energy Trust has individual data-sharing agreements with PGE, PAC, Avista, Cascade Natural Gas, and NWN that implement OAR Chapter 860 Division 086. In accordance with the rules, utilities regularly share information such as customer names and addresses, as well as usage and schedules. Energy Trust uses this information to design measures, estimate feasible savings, and develop its marketing strategy.

PGE, PAC, Avista, Cascade, and NWN operate bill discount programs for customers at or below 60 percent of state median income to alleviate energy burden. Staff finds that participation in these schedules can serve as a good indicator of household income. Hence, Staff believes that this data would be useful for Energy Trust to reference in designing and marketing its offers for low-income households. Furthermore, Staff believes that participation in bill discount programs is a rate schedule identifier that needs to be shared with Energy Trust in accordance with the above cited rules.

Staff Outreach

PAC and Avista started sharing a variable, indicating a customer's participation in a bill discount schedule shortly after initiating the program with Energy Trust as part of their regular data delivery. After Energy Trust informed Staff that it had been unsuccessful in convincing PGE, Cascade, and NWN to include their bill discount schedule in regular data-sharing, Staff reached out to said utilities in June, informing them that sharing was both useful and legally supported. After meeting with Staff, Cascade agreed to start

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[23] OPUC Staff Report, *Energy Trust of Oregon: Presentation of 2024 Draft Budget and 2024-2025 Action Plan*, Oct 25, 2023, available at: https://oregonpuc.granicus.com/MetaViewer.php?view_id=2&clip_id=1239&meta_id=37540 (accessed Nov 13, 2024).

[24] OPUC Staff Report, *Energy Trust of Oregon: Presentation of 2025 Draft Budget and Action Plan*, Oct 28, 2024, available at: https://oregonpuc.granicus.com/MetaViewer.php?view_id=2&clip_id=1409&meta_id=40384 (accessed Nov 13, 2024).

[25] *See* OPUC Minutes of a Special Public Meeting, *Energy Trust of Oregon : Presentation of 2023 Draft Budget and 2023-24 Action Plan*, Nov 3, 2022, available at: https://oregonpuc.granicus.com/DocumentViewer.php?file=oregonpuc_1fb0c37af826c68a8984622d18a3f8b6.pdf&view=1 (accessed Nov 13, 2024) (stating: "Motion was made by Chair Decker to adopt Staff Recommendation…" and indicating that all Commissioners present voted for the Motion)., OPUC Minutes of Public Meeting, *Energy Trust of Oregon : Energy Trust 2024 Budget and 2024-2025 Action Plan Presentation*, Nov 2, 2023, available at: https://oregonpuc.granicus.com/DocumentViewer.php?file=oregonpuc_61135756541f8f365735cd229c3b4a22.pdf&view=1 (accessed Nov 13, 2024) (stating: "Motion was made by Commissioner Tawney to adopt Staff's Recommendation…" and indicating that all Commissioners present voted for the Motion)., and OPUC Minutes of Public Meeting, *Energy Trust of Oregon : Presentation of 2025 Draft Budget and Action Plan*, Nov 5, 2024, available at: https://oregonpuc.granicus.com/DocumentViewer.php?file=oregonpuc_f608659f2293dc371fc43ade551d0522.pdf&view=1 (accessed Nov 13, 2024) (stating: "Motion was made by Chair Decker to adopt Staff Recommendation…" and indicating that all Commissioners present voted for the Motion).

sharing the information. Staff also met multiple times with representatives from PGE and NWN, but no agreement was reached.

Utility Objections and Staff Responses
PGE and NWN brought forward two objections: (1) sharing bill discount schedule identifiers with Energy Trust would likely violate the Oregon Consumer Privacy Act (OCPA); and (2) concern that Energy Trust might use the data in ways that could harm customers, for example by designing subpar programs.

The utilities first concern is unsubstantiated as nothing in the OCPA precludes utilities from complying with state rules. Specifically, ORS 646A.572(3)(a) states that the OCPA does not prohibit a "controller" or "processor" of data under the bill from complying with federal, state, or local statutes or rules. In response to the utilities' second concern, Staff agrees that Energy Trust should develop programs that benefit customers and not use the data in harmful ways. However, Staff believes Energy Trust's stakeholder engagement in program design, coupled with Commission oversight, significantly reduces the likelihood of adverse outcomes. In the absence of evidence or historical precedent supporting the utilities' concerns, Staff finds it inappropriate to withhold data at this time.

Support for Staff Recommendation
Rules in OAR 860-086 govern which data electric and gas utilities must transfer to Energy Trust. Specifically, OAR 860-036-0030(2)(i) states that electric companies must transfer rate schedule identifier information for each customer account to Energy Trust. Similarly, OAR 860-086-0040 (1)(a)(H) provides that gas utilities that offer energy conservation programs through ETO must provide rate schedule identifier information for each customer account with Energy Trust, provided the information is available in the gas utility's records.

PGE's bill discount program can be found in Schedule 18 of its tariff, while NWN's bill discount program is outlined in Schedule 330 of its tariff. Both represent rate schedule identifiers. As such, and to achieve uniformity across all utility data sharing practices,

Staff recommends that the Commission direct Avista, Cascade, NWN, PAC, and PGE to include rate schedule identifiers—indicating which of their customers participate in their respective bill discount programs—as part of their monthly data sharing with Energy Trust, in order to comply with the above cited rules. Utilities should comply with this as soon as feasible, but not later than January 2025 to allow Energy Trust to begin program implementation.

While Staff is only requesting this narrow Commission action, in Attachment 2, Staff provides background information regarding Staff's research, findings, and proposed actions over the foreseeable future to improve energy efficiency and weatherization activities in the state.

PacifiCorp's Low-Income Discount Re-Enrollment
In their November 13, 2024, letter, the Joint Advocates flag that a lack of information and engagement around PacifiCorp's re-enrollment plans, paired with the Company's Energy Burden Assessment (EBA) asking for more effective outreach and the upcoming winter heating season and possible rate increase, leaves customers at a disadvantage and qualified customers may ultimately be unenrolled for non-response.[26] The Joint Advocates ask in their comments that the Commission suspend the section of the Company's tariff requiring re-enrollment until October 2025 and that the Company not be allowed to re-start until it collaborates on a re-enrollment outreach strategy, commits to sharing data and process outcomes with stakeholders, and determines a timeline to check-in with stakeholders throughout the re-enrollment process to discuss learnings.[27]

Re-enrollment is a period in the programs where customers must re-attest to their income information and connect with the Company to continue receiving discounts. Customers do not have to provide income verification and can self-attest income and household size. Staff is sensitive to the barriers and challenges associated with traditional enrollment processes and has heard within UM 2211 conversations that intentionally crafted outreach and appropriate timelines can help with customer confusion around processes. Staff flags that parties raised concerns related to the Company's re-enrollment within UE 433, PacifiCorp's general rate case filing.

On November 18, 2024, the Company filed a response to the Joint advocates in Docket No. UM 2211, indicating that it will postpone any disenrollments until March 1, 2025.[28]

Staff Response and Procedural Options
Staff supports the EJ Advocates' proposal for a limited pause on reenrollment processes through March 1, 2025, in conjunction with a commitment to engaged UM 2211 stakeholders on reenrollment that broadly aligns with the goals of reducing exposure to unsafe disconnections this winter. Staff does not believe that the Commission needs to take action now, because the Company has agreed to a pause reenrollment through March 1, 2025. If an adequate revised process has not been identified by March 1, 2025, Staff can return a Public Meeting with a recommendation for the Commission to direct PacifiCorp to file a new version of their tariff with the reenrollment process removed and continue to work toward a sufficient replacement process.

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[26] NW Energy Coalition and the Coalition of Communities of Color, UM 2211 – Request to Temporarily Suspend PAC's Low-Income Discount Re-Enrollment Process, filed November 13, 2024, https://edocs.puc.state.or.us/efdocs/HAH/um2211hah332933120.pdf.
[27] Id.
[28] PacifiCorp, UM 2211—PacifiCorp's Reply Comments to Northwest Energy Coalition and the Coalition of Communities of Color, filed November 18, 2024, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac333083033.pdf.

While there is temporary resolution regarding this issue in this docket, Staff would also like to note that this issue is also presented in the Company's general rate case (UE 433).

PROPOSED COMMISSION MOTION:

Approve Oregon Public Utility Commission Staff's recommendations regarding:

- Interim customer protections against the risks of arrearages and disconnection as outlined in Attachment 1; and
- Utility data sharing requirements by directing Portland General Electric, Northwest Natural Gas Company, Pacific Power, Avista Utilities, and Cascade Natural Gas to include respective bill discount program schedule identifiers with Energy Trust of Oregon beginning no later than January 2025.

Attachment 1. List of Staff's Proposed Actions for Near-term Interim Customer Protections Against Disconnection

1. **Staff recommends expanded eligibility requirements for disconnection protections for the period of January 1, 2025 through September 1, 2025.**
   a. Therefore, Staff recommends that the Commission direct **PAC, PGE, AVA, CNG, and NWN** to extend protections available to *"Qualified household"* determined by their status as:
      i. Low-Income Residential Customers.[29]
      ii. Customers who verify or self-attest to a household income, adjusted for household size, between 61-80 percent state median income (SMI).
      iii. Medical certificate accounts.[30]
   b. Therefore, Staff recommends that the Commission direct **IPC** to expand Winter Protection Program[31] (WPP) to include their Bill Discount for Qualified Customers Program[32] participants.

2. **Staff recommends enhanced Cold Weather disconnection protections for the period of January 1, 2025 through September 1, 2025.**
   a. Therefore, Staff recommends that the Commission direct **PAC, PGE, AVA, CNG, and NWN** to add *Date-Based Protections* to prohibit disconnection for qualified households between December 1 and April 1.
      i. Staff recommends an OAR 860-021-0407(10) exemption for **IPC**.
   b. Therefore, Staff recommends that the Commission direct **PAC, PGE, AVA, CNG, and NWN** to expand the Temperature-Based moratorium prohibiting disconnection per OAR 860-021-0407(1)[33] to include the *24-hours before severe weather.*
      i. Staff recommends an OAR 860-021-0407(10) exemption for **IPC**.

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[29] "'Low-income residential customer' whose eligibility has been verified under OAR 860-021-0180".
[30] Oregon Administrative Rule (OAR) 860-021-0410 provides an explanation of medical certificate provisions.
[31] https://docs.idahopower.com/pdfs/aboutus/ratesregulatory/tariffs/63.pdf.
[32] https://docs.idahopower.com/pdfs/aboutus/ratesregulatory/tariffs/bill-discount-qualified-customers-program.pdf.
[33] Existing rule states that, "an energy utility must put into effect a moratorium on the disconnection of residential service for nonpayment from November through March on any day a temperature of less than 32 degrees Fahrenheit is forecasted by the applicable weather reporting service or a winter storm warning indicating weather conditions pose a threat to life or property is issued by the applicable weather reporting service."

3. **Staff recommends enhanced Hot Weather disconnection protections for the period of January 1, 2025 through September 1, 2025.**
    a. Therefore, Staff recommends that the Commission direct **PAC and PGE** to expand the Temperature-Based moratorium prohibiting disconnections in OAR 860-021-0407(2) to include the *24-hours before and 48-hours following* a local heat advisory issued by the applicable weather reporting service for residential customers served in counties where the *Oregon Department of Energy Cooling Study reports an Exposure Index greater than 65.*[34,35]
        i. Staff recommends an OAR 860-021-0407(10) exemption for **IPC.**
        ii. Staff recommends an exemption for **AVA, CNG, and NWN.**

4. **Staff recommends protections for reconnection fees for the period of January 1, 2025 through September 1, 2025.**
    a. Therefore, Staff recommends that the Commission direct **PAC and PGE** to expand OAR 860-021-0407(9)[36] to provide qualified households that have been disconnected for nonpayment within the previous *7-days* of a severe weather or air quality condition reconnection upon customer request.
        i. Therefore, Staff recommends the Commission direct **IPC** to provide customers eligible under for WPP (inclusive of bill discount participants) that have been disconnected for nonpayment within the previous *7-days* of a severe weather or air quality condition reconnection upon customer request.
        ii. Therefore, Staff recommends that the Commission direct **AVA, CNG, and NWN** to expand OAR 860-021-0407(9)[37] to provide qualified households that have been disconnected for nonpayment within the previous *7-days* of a cold weather severe weather or air quality condition reconnection upon customer request.

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[34] The Exposure Index evaluates historic temperatures and expected increases resulting in heat exposure. It also considers tree canopy and impervious surfaces to identify areas prone to the urban heat island effect.
[35] *Currently, only Multnomah County has an exposure index of >65.* https://experience.arcgis.com/experience/5f6a0e1785524df8853e94776693d0f7/page/HVI-County/.
[36] Existing rule states that, "upon request from a customer who has been disconnected for nonpayment within the previous 72 hours of a severe weather or air quality condition outlined in sections (1), (2), and (3) of this rule, an energy utility must make best efforts to reconnect service."
[37] Existing rule states that, "upon request from a customer who has been disconnected for nonpayment within the previous 72 hours of a severe weather or air quality condition outlined in sections (1), (2), and (3) of this rule, an energy utility must make best efforts to reconnect service."

b. Therefore, Staff recommends that the Commission direct **IPC, PAC, PGE, AVA, CNG, and NWN** to revise utility tariffs to eliminate *all* reconnection charges for residential accounts following disconnection for non-payment provided the residential customer was enrolled in the utility's income-qualified bill discount program prior to the disconnection, with a reported[38] household income of 0-15 percent SMI.

5. Staff recommends that utilities have an arrearage management offering available by January 1, 2025.

a. Therefore, Staff recommends that the Commission direct **PAC, PGE, and NWN** to Offer a one-time Arrearage Forgiveness grant to households earning at or below 0-5 percent SMI, up to $1,000 effective January 1, 2025.[39]

   i. Staff recommends an exemption for **IPC**.

b. Therefore, Staff recommends that the Commission direct **PAC, PGE, and NWN** to, upon customer request, provide payment forbearance options of at least one month, available between December 1 – April 1 and July 1 – September 1 on Time Payment Arrangements (TPAs) for qualified households enrolled in the utility's income-qualified bill discount program.[40,41]

   i. Staff recommends an exemption for **IPC**.

6. Staff recommends that utilities have sufficient HB 2475 Discounted Rate Program tiers by January 1, 2025.

a. Therefore, Staff recommends that the Commission direct **PAC and PGE** to implement qualified program monthly discounts applicable to customers earning 0-5 percent SMI are no less than 80 percent; and for customers earning 6-10 percent SMI, no less than 60 percent or otherwise aligned within five percentage points of the level of energy assistance need determined by the utility's most recently published energy burden assessment effective January 1, 2025.[42]

   i. Staff recommends an exemption for **IPC**.

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[38] Customer may "report" their qualifying income level via self-attestation either at the original bill discount enrollment or when requesting reconnection under this provision.

[39] AVA and CNG are already in compliance. NWN has committed to implement an AMP effective in March, but not January.

[40] Application of this provision would not count as a renegotiation of the TPA to the extent that the number of renegotiations are limited by the utility.

[41] AVA and CNG are already in compliance. NWN has committed to implement an AMP effective in March, but not January.

[42] AVA, CNG, and NWN are already in compliance.

7. **Staff recommends that utilities provide sufficient noticing and outreach related to their disconnection and arrearage protections.**
    a. Therefore, Staff recommends that the Commission direct **IPC, PAC, PGE, AVA, CNG, and NWN** to notify[43] customers of the availability and terms of applicable enhanced protections and/or programs any time a customer:
        i. Enrolls in a qualified bill discount program.
        ii. Contacts the utility regarding payment assistance.
        iii. Receives a disconnection notice for nonpayment.
        iv. Within 24 hours of being disconnected for nonpayment.
        v. Requests reconnection following disconnection for nonpayment.
    b. Therefore, Staff recommends that the Commission direct **IPC, PAC, PGE, AVA, CNG, and NWN** to notify partnering Community Action Agencies of its available protections for qualifying customers and provide digital and/or paper reference material(s).
    c. Therefore, Staff recommends that the Commission direct **IPC, PAC, PGE, AVA, CNG, and NWN** to include accessible[44] information regarding the availability of disconnection protections and their terms on its website.
    d. Therefore, Staff recommends that the Commission direct **IPC, PAC, PGE, AVA, CNG, and NWN** to train customer service representatives (CSRs) to offer and discuss any applicable protections and programs adopted in this process.
    e. Therefore, Staff recommends that the Commission allow for exemptions to parts 7(a) and (b) to the extent the utility proposes a comparable or improved noticing and outreach plan to Staff.

[43] Notification should occur through the customer's most recently documented preferred communication method and on printed materials issued in the disconnection process.
[44] Accessible may be defined in the manner that the utility determines other information is adapted for different audiences, including but not limited to translation services, readability, and plain language.

Attachment 2: Background on Energy Efficiency and Weatherization Workstream

Staff Review and Engagement
Staff's goals in this workstream were to develop an overview of existing programs in the space of low-income energy efficiency and weatherization, identify gaps and opportunities, and outline a near-term action plan. Staff discusses these aspects in the following sections. First, Staff gathered information through individual meetings with various stakeholders, including Energy Trust of Oregon, Energy Justice Advocates,[45] Oregon Housing and Community Services (OHCS), and the Community Action Partnership of Oregon (CAPO), as well as at a public workshop on October 10, 2024. Energy Justice Advocates, Energy Trust, PGE, and NWN filed public comments following the workshop.

As context, most of the funds for low-income weatherization and energy efficiency are delivered through OHCS, which contracts with Community Action Agencies (CAA), with the federal Weatherization Assistance Program (WAP) providing the anchor for most activities. The state of Oregon sets some of the federal Low Income Home Energy Assistance Program (LIHEAP) funds aside to enable activities that do not meet cost-benefit requirements under WAP rules. Unlike most other programs, these funds are available to customers independently of the heating fuel they use. OHCS also distributes part of a legislatively-mandated public purpose charge to CAAs for low-income weatherization and energy efficiency under the name Energy Conservation Helping Oregonians (ECHO), only available to PGE and PAC customers using electric heat. Another part of the public purpose charge serves multi-family properties, for which OHCS contracts with TRC under the name Oregon Multifamily Energy Program (OR-MEP). None of the activities listed above fall under the authority of the PUC.

Avista, Cascade, Idaho Power, and NWN have voluntary tariffs that collect funds for low-income weatherization and energy-efficiency.[46] Customers must use the individual utilities' fuel as a primary heat source to be eligible. These funds are by large directly allocated to CAAs, with the exception of NWN which funds other one-off projects on a discretionary basis. OHCS promulgates some general rules for how CAAs must administer many of these programs. As a result, all CAA's require documentation of income and operate programs on a first-come, first-served basis; Comprehensive weatherization measures are generally selected based on an energy audit that determines interventions with a savings to investment ratio larger than one. At the same time, specific implementation varies by organization. This means, for example, that a customer in search of no-cost services would have to first ascertain which CAA serves

[45] NW Energy Coalition, Community Energy Project, Verde, Oregon Citizens' Utility Board, Coalition of Communities of Color.
[46] Avista Oregon Low Income Energy Efficiency (AOLIEE), Cascade Oregon Low-Income Energy Conservation (OLIEC), NWN Oregon Low Income Energy Efficiency Program (OLIEE) and Open Solicitation Program (OSP), and Idaho Power Weatherization Assistance for Qualified Households (WAQC).

their county and then learn about the application process at that specific organization. Table 1 below show spending and households served by the programs discussed based on the latest publicly available data.

Table 1: Programs Administered through OHCS and/or CAAs

Name	Source	Expenditures	Households served	Notes
WAP	US DOE	$3.7 million	499	Program Year 2022[47]
LIHEAP WX	US HHS	$5.6 million	Braided	Program Year 2022[48]
ECHO	PGE/PAC Public Purpose Charge via OHCS	$28.5 million	972	Program Years 2021 to 2023. Revenue, expenditures not reported[49]
AOLIEE	Avista Tariff	$0.5 million	37	2023[50]
OLIEC	Cascade	$43,688	5	Program year 2022/2023[51]
OLIEE/OSP	NWN	$5.6 million	825	Program Year 2022/2023[52]
WAQC	IPC Tariff	$28,882	5	2023[53]
OR-MEP	PGE/PAC Public Purpose Charge via OHCS	$4.5 million	2,987	Program Years 2021 to 2023. Revenue, expenditures not reported[54]

Many community-based organizations (CBO), which are not CAAs, are active in the low-income weatherization and energy efficiency space. CBOs often braid various funding sources to offer services that vary in scope from DIY weatherization workshops to comprehensive energy efficiency retrofits. In the last years, Energy Trust has made substantive investments to better serve low-income communities. These investments and activities are required to meet equity metrics under ORS 757.747, translated by the Commission into performance measures in Order 22-478 and revised in Order No. 24-079.[55] These investments are by large delivered through community partners. Energy Trust now works with thirty CBOs throughout the state, supporting them with various

[47] WAP has an additional allocation of $30.6 million for 2023 to 2027 available. It is unclear how much of that has already been spent. NASCSP, Annual Funding Tables, April 26, 2024.
[48] NASCSP, Annual Funding Tables, April 26, 2024.
[49] Evergreen Economics, PPC Legislative Report, 2024.
[50] Docket No. RG 81, AOLIEE Annual Report, April 9, 2024.
[51] Docket No. RG 7, OLIEC Annual Report, November 30, 2023.
[52] Docket No. RG 13, OLIEE Annual Report, December 28, 2023.
[53] Docket No. UM 1710, DSM Report, April 5, 2024.
[54] Evergreen Economics, PPC Legislative Report, 2024.
[55] Docket No. UM 1158, Order No. 22-478,December 14, 2022. Docket No. UM 1158, Order No. 24-079, March 21, 2024.

funding streams that enable the organizations to offer no- or low-cost services to clients. As a result, there is an emerging network of low-income weatherization and energy efficiency providers in Oregon that operates in parallel to CAA programs.

The work of these CBOs is supported by many other grants, like the EPA Community Change Grant, the Oregon Healthy Homes Program, the Oregon DOE's Heat Pump Programs, as well as local initiatives like the Portland Clean Energy Fund (PCEF). While the breadth of services offered varies enormously between CBOs, together they are subject to fewer rules and generally do not require extensive documentation to qualify. While CAAs need to comply with a host of work specifications and quality control standards, CBOs have often more leeway in how to handle these issues. In 2024, Energy Trust started the "In-House Services" program, which serves clients with no-cost offers in areas with limited CBO capacity.

Energy Trust funding and capacity-building activities are one of the prime ways the PUC can influence developments in this sector. Table 2 summarizes Energy Trust's activities. In addition to CBOs, Energy Trust also works with large developers and multi-family property owners, which may serve many renters in naturally-occurring affordable housing. Energy Trust also has been awarded or serves as a sub-awardee for several federal grants with total lifetime contract revenue of over $100 million, much of which is expected beginning in the first quarter of 2026 and extend through 2029.[56] These funds will serve to expand no- and low-cost offers to low-income households.

Table 2: Energy Trust offers Serving Low-income Households[57]

Offer	Eligibility	Description	Expenditures (2023)	Households Served (2023)
Community Partner Funding/ In-Home Services	At or below 60% of SMI	Includes various no-cost offers, plus enhanced incentives, plus access to regular incentives, plus some administrative costs	$3.6 million	869
Savings Within Reach	At or below 120% of SMI	Enhanced incentives for insulation and heat pumps	$2.8 million	2103
Regional Promotions	No restrictions, likely served some low-income	Enhanced incentives for insulation, gas furnaces, and heat pumps	$0.2 million	66

[56] Energy Trust of Oregon, 2025 Draft Budget and Action Plan, October 2, 2024.
[57] Energy Trust of Oregon, 2023 Annual Report, April 15, 2024.

Offer	Eligibility	Description	Expenditures (2023)	Households Served (2023)
	households in rural areas			
Rental Offers	May have served some low-income households in affordable housing	Various prescriptive measures through owners/managers	$4.1 million	2225
Manufactured Homes	No restrictions, but likely served low- to medium income households	Enhanced incentives for weatherization, heat pumps, and replacement	$4.1 million	1172

After review of existing programs and considering stakeholder feedback, Staff concludes that there are the following gaps which should be addressed:

(1) Oregon's fragmented landscape of local providers braids multiple funding streams to make offers to clients that vary in both depths and quality. Neither delivery organizations, nor major funders coordinate sufficiently. There are no uniform standards for safety and quality.
(2) There is no central point for customers to learn about services and access them. The system is hard for consumers to understand.
(3) Services are largely distributed on a first-come, first-served basis and are not specifically targeted to customers with high energy burden and high energy efficiency potential.
(4) Costs are higher and delivery capacity is lower in rural areas, leading to long wait lists and services being offered at lower rates.
(5) Renters receive services at lower rates. While programs do not generally discriminate against renters, it is more difficult for a household in a single-family rental or multi-family property to access services.
(6) Energy efficiency interventions are frequently deferred to due maintenance issues that would require significant investments.
(7) Authority over funds being spent in Oregon is divided between OHCS, ODOE, and PUC, not counting programs by counties and

municipalities. The Climate Protection Plan, if reestablished, may add DEQ as another major funder of low-income energy efficiency. Among state agencies, there is no shared vision and coordinating strategy for low-income weatherization and energy efficiency.

Proposed Staff Action Plan
To address the gaps identified above, Staff believes that the following improvements should be made within the next 12 months:

(1) Energy Trust should continually increase the number of low-income customers that receive program offers. Energy Trust should collaborate with community-based organizations and acquire additional grants to offer these services at no cost – in no case should low-income customers be advised to participate in market rate programs. Ratepayer funds should be used under the cost-effectiveness exception criterion of energy burden mitigation in order to create and maintain delivery infrastructure and no-cost offers as long as the Energy Trust portfolio remains cost-effective.[58]
(2) Energy Trust should set work specifications and quality control standards for its Community Partners.
(3) Energy Trust's activities should be complementary to WAP/ECHO, including:
    - Serving customers through culturally specific organizations.
    - Serving customers that are deterred by application requirements like income documentation or ID/SSN requirements.
    - Serving customers in rural areas with limited delivery capacity
    - Creating offers that target rental housing.
    - Ensuring community partners have input into program design.
    - Finding complementary funds to enable health and safety and other home repairs that may thwart weatherization.
(4) Energy Trust should develop financing options for low/medium income households.
(5) Energy Trust should use utility data to better reach high energy burden/ high energy efficiency potential customers with targeted low-income program offerings.

[58] See Agreement to Direct Funding to Nongovernment Entity, Entered Between Energy Trust of Oregon, Inc. and Public Utility Commission of Oregon, August 19, 2024, Exhibit A, 3. i. (H).

- In the short term, Energy Trust should use targeted marketing to reach bill discount participants with no-cost offers. Staff recommends the Commission order all utilities to provide this data in compliance with OAR 860-086-0030 (2)(i) and OAR 860-086-0040(1)(a)(H), as discussed in the memo.
- In the medium term, Energy Trust should collaborate with Community Partners and utilities to receive additional data to prioritize specific customers.

(6) Energy Trust should improve information (e.g. its website and related channels) for customers on how to access no-cost services, including associated services not offered by Energy Trust.

Staff plans work with utilities to pursue the following improvements:

(7) Utilities to share all relevant information (e.g. from Energy Burden assessments) that may help prioritize high energy burden/high energy efficiency potential customers with implementers.
- Utilities to include rate schedule identifiers for bill discount program participants with Energy Trust as part of their regular data-sharing (as discussed in the memo).
- Staff expects utilities to enter conversations with Energy Trust, CAAs, and OHCS on how to share insights from Energy Burden Assessments.

(8) Avista, Cascade, IPC, and NWN should modify their low-income weatherization tariffs to achieve the following:
- Conduct free energy audits for customers with high usage and low incomes.
- Condition funding on pro-actively prioritizing customers with high energy burden and high energy efficiency potential. Utilities should regularly evaluate its delivery contractors to ensure cost-effective use of funds. Funds should be made available on a competitive basis.
- The number of households served should steadily increase over the next five years, and more funding should be made available if necessary.

(9) PGE and PAC should collaborate with recipients of PPC funds (OHCS/CAAs) to:
- Initiate free energy audits for customers with high usage and low incomes.
- Share information to enable implementer to pro-actively prioritize customers with high energy burden and high

energy efficiency potential.

Staff plans to pursue better coordination between various implementers of low-income weatherization programs, including state agencies, and:

(10) Initiate coordination with ODOE, OHCS, and Energy Trust to discuss braiding and prioritization in IRA rebates.
(11) Initiate closer collaboration between Energy Trust/Community Partners and OHCS/CAAs with the goal of exploiting opportunities for joint marketing, joint customer management, and joint projects.

Staff's primary focus in crafting this action plan has been on short-term actions that improve weatherization and energy efficiency services for low-income households. Because the above list is already lengthy, Staff believes it is too early to establish a new funding mechanism under HB 2475 authority and create a new delivery network, as some advocates request. Further coordination between state agencies, and potentially legislators, is necessary to determine the best way forward regarding new funding mechanisms. Staff will continue to evaluate throughout 2025 and update this recommendation in 2026.

Stakeholder Feedback
At the October 10, 2024, energy efficiency and weatherization workshop, and in submitted comments, utility-and non-utility stakeholders expressed a need for expanding resources spent on low-income weatherization and energy efficiency, although utilities were skeptical about whether this need should be filled with ratepayer funds. All stakeholders also underlined the necessity of better coordination between OHCS/CAA-led programs and offers implemented through Energy Trust and CBOs, as well as the need to create a centralized information resource. Energy Trust suggested a broad convening of parties to determine shared objectives and joint implementation. All stakeholders agreed that a shared strategy should include a more pro-active approach of addressing energy burden by leveraging customer-level data.

Many parties commented on the need to supplement measure-specific funding with health and safety funds that enable weatherization. Energy Justice Advocates suggested a full-blown home repair fund should be set up.

There was no agreement among stakeholders about how increased funds for existing or new sources are best spent. Some suggested that the network of CAAs is best situated to offer comprehensive, high-quality services, and all low-income funds should be spent through this pathway. Energy Justice Advocates asked that more funds be allocated directly to CBOs, bypassing centralized organizations like OHCS or Energy Trust.

Energy Efficiency and Weatherization Workstream Conclusion

Staff believes that its outlined action plan addresses many of the gaps identified by stakeholders and finds a good middle ground where opinions diverged. Staff looks forward to working with the relevant parties to advance these desired outcomes and reporting back in 2026 on progress and continued opportunities. To this end, Staff believes the only necessary item for Commission action regards data-sharing with Energy Trust, as outlined in the body of the memo and in the proposed Commission motion.

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Appendix A – Stakeholder Feedback on the Arrearage and Disconnection Action Plan and Assessment

Arrearage and Disconnection Action Plan – Stakeholder Feedback
On October 25, 2024, Staff released its Proposed Phase 2 Arrearage and Disconnection Action Plan for the ongoing UM 2211 HB 2475 Implementation. The Action Plan includes multiple action items looking to identify and advance key near-term actions to mitigate the significant human harms caused by energy insecurity going into the upcoming winter heating season. Following requests for additional engagement and comment periods, Staff agreed to extend the original timeline to include two additional workshops prior to a revised comment deadline. Staff would revise the Action plan as needed following the workshop engagement and comment deadline and then bring it to a public meeting for Commission decision and guidance. The draft Phase 2 Proposed Actions were broken out into seven buckets:

1. Vulnerable Population Definition(s),
2. Cold Weather Protections,
3. Hot Weather Protections,
4. Disconnection Practices & Triggers,
5. Reconnection Practices & Customer Fees,
6. Arrearage Relief, and
7. HB 2475 Discounted Rate Programs.

Staff collected feedback at the October 30 and November 7 workshops and received filed comments on November 15 responding to the Action plan. The filed comments included comments from:

Stakeholder Feedback
Topic 1: Vulnerable Population Definitions
Staff's proposed recommendation was to include additional populations as Qualified Households for enhanced disconnection protections. Staff included a definition for Qualified Households for Stakeholders to review and respond to as well.

Stakeholder Comments
Within workshops, utilities were generally supportive and open to the intent of this action item and were open to try and expand the households that are eligible for programs but had some concerns around the Qualified Households definition being self-attestation and how to implement the definition administratively. Utilities were also concerned about how much extending the definition of Qualified Households would expand protections and thus, expand costs for customers. Additionally, utilities brought up the concern about creating categories that are too broad that may result in finite resources not reaching the customers who need it most.

EJ Advocates in workshops offered the suggestion of using programs like the

Supplemental Nutrition Assistance Program (SNAP) for categorical eligibility. Additionally, EJ Advocates offered padding this definition for the short-term with an income threshold, with examples of 80-100 percent SMI or 200 percent Federal Poverty Level (FPL). It was flagged that the law is broader than just income, and that it is important to reflect information gleaned from utilities Energy Burden Assessments (EBAs) that reflect need for higher income categories that are still energy burdened.

Within written comments, while many utilities understood the intent behind the recommendation, all utilities were concerned about the broadness of the definition and had questions around the full economic and administrative impacts of moving to the "Qualified Households" definition. Idaho Power flagged that from their LINA, 80 percent of their service territory fall below 80 percent SMI, which leads them to question how many customers would qualify for protections if this was altered to an 80 percent SMI standard. Cascade highlighted that additional staff would be needed to sufficiently handle expanding qualifications and that focusing on improving the structures in place today may be a higher priority. Avista supported including additional populations but wanted additional clarity on definitions of what characteristics qualify a household under the new term and that currently Avista does not have the ability to identify all of the subsections under the definition.

EJ advocates strongly supported Staff's recognition that income is not the only factor for vulnerability and supported self-attestation of the Qualified Household components. They offered that if the Commission does not adopt Staff's proposal, they would recommend that the definition cover customers with incomes at 80 percent SMI and below while working with stakeholders and utilities to set in place systems for self-attestation of other qualified customer types.

Topic 2: Cold Weather Protections
Staff proposed two recommendations, including:

a. Adding date-based protections to prohibit disconnection for qualified households between December 1 and March 1,
b. Expanding temperature-based protections to prohibit disconnection in the 24 hours before severe weather of a forecasted low of less than 32 degrees Fahrenheit is forecasted by the National Weather Service (NWS).

<u>Stakeholder Comments</u>
Gas utilities brought up in workshops that date-based disconnection moratoriums can have some nuance, and that often gas disconnections peak in the spring and summer months. Utilities also raised that there are already protections in place from AR 653, and that current operations allow their systems to reconnect customers quickly and that the proposals could result in hampering a utilities ability to collect from customers. Almost all utilities offered that they provide a voluntary moratorium during the week of

Thanksgiving and for roughly two weeks around Christmas. EJ advocates supported stronger disconnection protections around cold weather and highlighted the need to increase communication with customers during the disconnection process.

In written comments, most utilities were concerned with implementing date-based protections/moratoriums to prohibit disconnections for qualified households. Many cited the current rules are sufficient to providing temperature-based protections for vulnerable customers. Cascade raised concerns around the moratorium reducing and eliminating the Company's ability to collect unpaid bills which would result in an increase in bad debt.[59] Similar concerns were raised by PacifiCorp, but the Company stated that notwithstanding concerns regarding the impact of such a change, PacifiCorp could implement a moratorium on disconnection for non-payment 24 hours prior to a forecasted low of 32 degrees. Idaho Power offered that the Company's current Winter Protection Program, authorized by the Commission, satisfies the recommendations and provides the desired protections and believes no further action is required in its service area.

PGE stated that if the date-based protection was modified to apply to the existing Medical Certification household classification, the Company believes it would lead to a decrease in winter disconnections and would be supportive. PGE highlighted the previous moratorium which led to higher arrearage levels, ultimately delaying disconnections, and contributing to higher future costs for TPAs and/or increasing uncollectible revenues. Additionally, PGE is concerned that an unintended consequence would be a rush on energy assistance applications following the conclusion of the moratorium. PGE offers a similar modification to prohibiting disconnection in the 24 hours before, the dates of, and 24 hours following a severe weather event, and stated that the Company believes the recommendation if modified to apply to an existing customer classification, such as Medical Certificate households or IQBD participants, would reduce winter disconnections where Recommendation 2a is withdrawn.

Avista offered learnings from winter moratoriums in its Idaho service territory stating that customers accessing the winter moratorium are often subject to service disconnection immediately following the winter, with some customers carrying balances from one winter season into another. Avista and NW Natural add that if the Commission implements date-based cold weather protections, it should consider the differences between utility fuel types and that natural gas customers often only use their natural gas service between November and April, and the recommended protections could encourage customers to limit their payments towards their utility bill, leaving them with unmanageable balances to deal with prior to the next heating season. Avista offers that the expansion of temperature-based protections in recommendation 2b is more

[59] CNGC's Comments, UM 2211. Filed November 15, 2025, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac333009120.pdf.

appropriate than the date-based protection.

EJ advocates written comments support Staff's proposals adding that data analysis shows that March is a cold month in Oregon with high usage patterns aligned with December – February. Additionally, EJ advocates would like recommendation 2b to be adjusted to include a prohibition on disconnection 72 hours ahead of, during, and 24 hours following a cold weather event. Finally, EJ advocates recommend that no utility be able to opt out of Division 21 winter protection rules as a result of heaving a Winter Protection Program that is less protective and encourage the Commission that utilities with a WPP must also comply with these protections. EJ advocates specifically highlight that adding in this modification will allow customers to be protected if they are unaware of the WPP.

Topic 3: Hot Weather Protections
Staff's recommendation was to expand Temperature-Based Protections to prohibit disconnection to 24 hours before, the dates of, and 24 hours following severe weather days of more than a forecasted high of 95 degrees Fahrenheit for Qualified households, and any residential customers served in counties where the overall heat vulnerability index (OHVI) is greater than 60.

<u>Stakeholder Comments</u>
EJ advocates supported expanding temperature-based protections in the workshops and highlighted a concern that adopting that within this process may be helpful if we are unable to finalize the rulemaking before the cooling season. Utilities varied around support of the overall protection proposal but brought up concerns with the workload that this may add as many of the processes would be manual.

In written comments, all gas utilities supported natural gas utilities not being subject to hot weather protections as natural gas is not typically used for home cooling in Oregon. PGE does not believe that measures for summer 2025 should be adopted at this time and added that hot weather disconnection protections can be reconsidered prior to Summer 2025 if appropriate.[60] PGE added that the Company is concerned with the linkage to OHVI scores as a proxy for the heat sensitivity of individual households and that this approach could extend protections to a subsect of PGE's service territory. PacificCorp reiterated comments around the 24-hour prohibition from cold-weather events and disagreed with having a prohibition on disconnection following a severe weather day stating the protection is meant to occur during the severe weather event and that future/forecasted weather events would be covered under existing rule.[61] Idaho Power highlighted the importance of considering service area criteria when establishing temperature thresholds including that their Oregon service territory often sees

[60] PGE Comments on Staff's Recommendation, UM 2211, Filed November 15, 2024, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac333052120.pdf.
[61] PacifiCorp Comments on Proposed Action. UM 2211, Filed November 15, 2024, https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=23122.

temperatures over 95 degrees.[62] The Company offered that the Commission should consider utility specific recommendations similar to how cold weather temperature thresholds are currently treated in Division 21 rule language.

EJ advocates written comments support Staff's proposal to include protections where the OHVI is greater than 60.[63] EJ advocates support Staff's proposal on expanding temperature-based protections to better account for forecasted severe weather but encourage expanding the protection from 24 to 72 hours prior to an event including that disconnecting households when a severe weather event is approaching is inhumane and dangerous.

Topic 4: Disconnection Practices & Triggers
Staff included three recommendations in its draft proposal:

a. Where disconnection is not already prohibited, require direct contact in-person or via phone with an occupant of the household over 18 years of age if the utility wishes to disconnect any residential account within 24 hours before or 24 hours after a severe weather day.
b. Standardize and direct minimum past-due amount for disconnection to $200- or two-months past-due, whichever is lower.
c. Prohibit the use of disconnection prioritization scores that result in disproportionate and negative impacts to Qualified households.

Staff notes that within its Revised Action Plan, this section of recommendations was removed following discussions at Staff workshops around prioritizing near term actions and acknowledging that these action items could benefit from continued discussion.

Stakeholder Comments
Utilities raised that they already are required to make phone calls for disconnection and brought up concerns around how the direct contact could interact if a customers preferred contact method was texting. Additionally, utilities brought up the additional workload for field representatives as well as concerns around customers avoiding utilities and that the workload may outweigh the benefit to customers. EJ advocates recommended a method where texting a customer for a response could be an option to explore. EJ advocates also raised that standardizing the discount amount and prohibiting the use of prioritization scores could become more important if deeper protections are not implemented before the winter heating season.

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[62] Idaho Power Company's Reply Comments, UM 2211. Filed November 15, 2024, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac333060120.pdf.
[63] Energy Justice Advocates Comments on Arrears and Disconnection Workstream, UM 2211. Filed November 18, 2024, https://edocs.puc.state.or.us/efdocs/HAC/um2211hac333072120.pdf.

In written comments, Cascade agrees with Staff that a temperature or date-based moratorium on disconnection for nonpayment would be much simpler to implement as compared to the proposed action item list. Avista offered that it does not have the ability to incorporate the OHVI currently and that investing in this platform would be a waste of resources for the Company and unnecessary expenses for its customers. NW Natural supported the utilities being able to use their own operational experience and business practices and guidelines to set rules and triggers. PacifiCorp agreed to raising the disconnection threshold to $200, and does not support making the prioritization change but would be open to discussions with stakeholders to arrive at a balanced solution.

Topic 5: Reconnection Practices & Customer Fees
Staff's draft action plan included five recommendations including:

a. Required reconnection prior to 8:00 AM on the forecasted date of severe weather for Qualified Households that were disconnected within 7-days of a severe weather event.
b. Limit the required balance pay-off for Qualified households seeking reconnection to not more than the amount of an average monthly bill for that customer's previous account if the Qualified household demonstrates reasonable efforts to connect with energy assistance and enrolls in a TPA or AMP for the remaining balance.
c. Eliminate all reconnection charges for Qualified Households.
d. Eliminate all punitive fees for Qualified Households, including but not limited to, return payment charges.
e. Eliminate late fees for all residential customers.
f. Eliminate security deposits for all residential customers.

<u>Stakeholder Comments</u>
In written comments, EJ advocates strongly support eliminating reconnection charges for Qualified Households to ensure they are not being penalized for lacking the financial means to avoid disconnection through fees that compound the financial hardship that resulted in them facing disconnection.

Many utilities written comments include being open to further discussions on these topics. NW Natural offers that required reconnection can raise many potential problems and questions that need additional workshopping. All natural gas utilities flag that field crews are required to restart pilot lights when reconnecting, and that accessing customers home before 8:00am could become an issue and would negatively impact their trust with customers. Additionally, natural gas utilities highlight that eliminating reconnection charges is a problem for gas companies as field crews are required to enter homes, and that comes at a cost. PacifiCorp, PGE, and Idaho Power offered in written comments that existing rule provides protection for customers who need service reconnected during or before forecasted severe weather events. Additionally, the

Company disagreed with the other listed action items, stating that all the fees a Company charges its customers have been approved by the Commission are in place to ensure the actions of one customer do not increase costs for other customers. PGE flagged they are open to feedback from stakeholders on how to conduct outreach around current protections and that these recommendations be deferred for a future phase in the UM 2211 docket that includes additional discussion with stakeholders.

Topic 6: Arrearage Relief
There were five recommendations for arrearage relief proposed by Staff:

a. Apply qualified discounts to all arrears of income qualified bill discount program participants (inclusive of arrears accumulated prior to enrollment).
b. Offer Arrearage Forgiveness to households earning at or below 0-5 percent SMI.
c. Offer Arrearage Management with tiered matching payments for high energy burden households earning between 6-60 percent SMI.
d. Adopt Date-Based Forbearance options on TPAs and AMPs for Qualified Households.
e. Adopt flexible TPA and AMP term structures to ensure the sum of current and past due charges does not exceed 6 percent of the household's gross monthly income.

Stakeholder Comments
Utilities mentioned support for a one-time arrearage forgiveness program for 0-5 percent SMI customers. Additionally, utilities flagged concern around date-based forbearance as it could result in customers forestalling to pay their bill as well as the possibility of seeing a similar result to COVID-19 moratorium with rising arrearage balances. EJ advocates brought up the concern about comparing current situation to COVID times as we are not all in a collective emergency as we were then, and that while looking back can be helpful it is also of limited use. Utilities also discussed exemptions to their bill discount program allowing for additional help to 60-80 percent SMI customers, as well as previous crisis grants. Discussions at the workshop evolved into having a more passive offering for customers who call in and need help having assistance offered to them, which led to discussions around customers needing to me more aware of their rights when navigating situations with utilities and whether customers would need to ask specifically for the protections.

In written comments, Cascade provided it is willing to revise the applicability standard so that arrearage forgiveness is offered to customers with a 200 percent FPL or 80 percent SMI (compared to the current program offered to 150 percent FPL or 60 percent SMI customers) but that the change would require a tariff filing, which would require a minimum of 30 days. Cascade states the Company is opposed to dismantling and redesigning its arrearage relief program at this time as it appears to be serving customers as intended. Avista includes the Company's current program, which offers an arrearage forgiveness and relief program. The Company states that many of the recommendations do not apply, and those that would, may not result in a significant benefit when compared to the system enhancement needed, as the current program is designed to get a household to an energy burden of 3 percent or below. NW Natural highlights they are currently developing an AMP program that will be provided after the November 26 public meeting, and may support the concept of calculating an arrearage grant based on multiplying a customer's arrearage balance times the customer's bill discount percentage, but that flexibility for programs in the development stage is warranted.

Idaho Power offers that arrearage relief programs are most appropriately tailored to each utility to allow for analysis of current arrearage levels and overall costs involved in implementing the relief. The Company includes that UE 426 includes a component of Idaho Power convening stakeholders and recommends Staff propose the Commission allow Idaho Power to fulfil that commitment. PacifiCorp comments it is open to a one-time crisis forgiveness program and that any program offered should be studied more carefully within UM 2211 to leverage learnings from other utilities. PacifiCorp disagrees with applying discounts to all arrears prior to enrollment, implementing any tiered matching payments, or offering date-based forbearance on time-payment arrangements. PGE sought clarification in written comments on whether Staff intends 6a and 6b as one-time discount applications stating that the present proposal of 6a presents complexities and is unlikely to have a significant impact on overall arrearage balances and would provide limited 2025 protections. Additionally, PGE offered that the Company offers programs that provide customers the most benefit and the additional near programs complicate the existing flexible framework.

EJ advocates written comments are supportive of Staff's proposals and include that arrearage relief programs can be key to avoiding disconnection and that forbearance options allow for customers to realistically navigate above-usage months.

Topic 7: HB 2475 Discount Rate Programs
Staff recommended to increase monthly discounts for tier(s) applicable to customers earning at or below 0-10 percent SMI.

<u>Stakeholder Comments</u>
In written comments, PacifiCorp was receptive to the recommendation as it aligns with the Company's energy burden assessment (EBA and agrees with a 50 percent discount for customers with incomes between 0-10 percent SMI. PacifiCorp highlights the EBA's recommended hybrid approach of bill discounts and assistance grants and includes that it would like Staff to hold a workshop(s) to explore this issue with all utilities and stakeholders present to pursue best solutions. PGE comments that the most productive near-term actions focus on increasing enrollment growth as the program scales maturity

and continues to close the energy assistance need and adding additional tiers would take longer than the January 1, 2025, target date. The Company argues against a conclusion that current disconnection trends indicate the IQBD's current structure is not working and flag that depending on the scale of discount increases, changes could increase 2025 IQBD costs by $10-20 million. Additionally, the Company states that the funds would be directed mostly at current program participants and would not necessarily be linked to increased adoption of energy efficiency and that effective program design would avoid large steps between adjacent discount levels (i.e. 0-5 percent SMI with a 90 percent discount and 6-10 percent SMI customer with a 40 percent discount). Finally, PGE states they are open to exploration of additional concepts including expedited or required verification for higher discount tier customers, a hybrid design suggested in PacifiCorp's EBA or an energy burden design similar to what Idaho Power is implementing, but the additional complexities require more time and remain the scope of upcoming UM 2211 phases.

EJ advocates written comments strongly support Staff's recommendation but suggest expanding to include customers between 0-15 percent SMI.

Arrearage and Disconnection Assessment – Joint Environmental Justice Advocates Proposed Action Items
Staff received the following proposed Action Items from Joint Environmental Justice (EJ) Advocates (Verde, Coalition of Communities of Color, NW Energy Coalition, Community Energy Project, Oregon Just Transition Alliance, Multnomah County Office of Sustainability, and Oregon Citizens' Utility Board) within Joint EJ Advocates filed comments following the September 16, 2024, Staff Arrearage and Disconnection Assessment in UM 2211. EJ Advocates broke down their recommendations into near-term and long-term actions.

Near-term actions:

- Enhance disconnection protections to cover vulnerable communities.
    - Extend disconnection protections to households with children, households with folks living with disabilities, households with elders, households with folks living with chronic illnesses, and households living on fixed incomes.
    - Protections for identified vulnerable customers, if not year-round, need to include both winter and summer months given the extreme heat and severe winter weather that Oregon is increasingly experiencing.
- Enhance severe weather protections.
    - Implement calendar-based seasonal disconnection moratoriums to protect customers from disconnection in winter and summer months.
    - Alternatively, the Commission could adopt a moratorium on disconnections when the National Weather Service forecast severe weather in the next 72 hours.
    - Disconnection protections should also include the full day after a heat event has ended.
    - Utilities should reconnect customers ahead of a severe weather event.
    - No customer should remain disconnected during a severe weather disconnection moratorium.
- Structure Time Payment Arrangement (TPA) to recognize the realities faced by low-income customers.
    - Adopt seasonal TPA modifications that require utilities to pause TPA payments on higher consumption months to recognize households experiencing financial challenges.
    - Extend the length of TPAs from 12 to 24 months, unless a customer prefers a shorter time.
    - Reevaluate how many times a customer can renegotiate a TPA or miss a payment on a TPA.

- Adopt arrearage forgiveness/relief and arrears management tools.
    - Adopt an arrearage forgiveness/relief program for households with the lowest incomes.
    - Adopt an arrearage management program for higher income households, including those who are at 61-100 percent of State Median Income (SMI).
- Alter current reconnection requirements under OAR 860-021-0335(2).
- Eliminate all reconnection fees for discount-program participants.
    - Data indicates that a significant number of identified low-income households continue to be disconnected and may be subjected to reconnection fees that increase hurdles to reconnection.
- Eliminate security deposits for all customers, as PGE and Cascade have done.
- Increase disconnection “trigger” past due amounts.
- Move away from disconnection “prioritization” practices that increase the risk of disconnection for low-income and other environmental justice communities.
- Redesign utility disconnection notices and implement friendly reminders that clearly outline assistance, to be utilized prior to any disconnection notice or actual disconnection.
    - Disconnection notices should list disconnection protections, which include a customer’s right to be reconnected, and information on a utility’s HB 2475 Bill Discount Program.
- Disconnections should not be administered without face-to-face contact, or at least direct contact via phone with the account holder or a household member over the age of 18.
- Recognize the funding and timeline realities that customers seeking energy assistance grants may face, by preventing utilities from disconnecting customers who self-certify that they are seeking energy assistance.
    - Utilities should defer disconnection at least once when customers self-certify their efforts to get an energy assistance appointment.
    - Utilities and stakeholders should commit to seeking a reinstatement of the increased energy assistance fee that expired in 2022.
- Allow low-income customers to access available payment plans.
- Recognize in rules and practices around disconnections and arrearages that some customers are more vulnerable to

disconnection and arrearages and will be impacted more severely.
  - In addition to disconnection moratoriums, potential changes include greater timelines to pay bills and arrearages, arrearage minimums for disconnection, notice and contact requirements for vulnerable communities.
- Eliminate late fees for all customers.
- Extend bill timing – Extend bill due dates to at least 30 days after the end of the billing cycle.
- Require utilities to adjust customer bill language to include information about qualifying for and obtaining a medical certificate.

Long-term actions:

- Severe weather:
  - Enhancing protections in geographic areas known to be at a higher risk from certain weather events.
  - Direct utilities to engage with any disconnected customer to inform them of requesting reconnections and of local severe weather locations.
  - Expand winter weather protections to customers in areas currently covered by 860-021-0407(10).
- Greater protections for Functional and Access Needs Populations – Consider "Functional and Access Needs/At Risk Populations" concept when defining vulnerable communities.
- Implement a performance-based ratemaking pilot with incentives and disincentives for utilities based on progress or regress on disconnections.
- Evaluate utilities communications strategies around reconnections and disconnections.
- Explore still relevant recommendations in Advocates' Recommendations in UM 2114 that PUC, other agencies, utilities, and stakeholders have yet to implement.
- Direct utilities to implement a pilot on alternatives to disconnection as a collection mechanism.
- Evaluate language accessibility of disconnection practices.
- Require utilities to perform data analysis that looks into racial disparities of who is being disconnection in their territories.