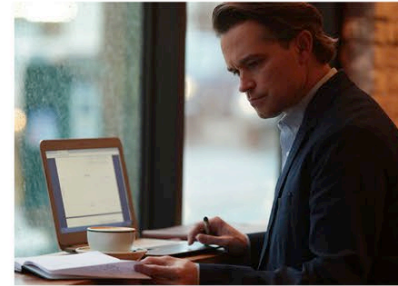


# Interim Low-Income Bill Discount Program



# Bill Discount Program Goals

## Program Design

- Easy to understand, explain, and implement for customers and the company
- Consistent with CARE program in California
- Develop program that considers reasonable cost impacts
- To serve as a tool to help customers in conjunction with other assistance and energy efficiency measures (LIHEAP, OEAP, Oregon Energy Fund, Energy Trust, Rate Design)
- Equitable bill decrease for participating customers

## Program Analysis

- Company's 2019 Residential Email Survey results used to help identify energy burden and forecast potential eligibility, reduction in energy burden, and cost impacts.

## Collaboration

- Utilize input from Staff, stakeholders, and the other utilities

# Proposed Timeframe

- Stakeholder Outreach/Meetings
  - April 22, 2022 – Met w/OPUC Staff
  - May 4, 2022 – Met w/CUB
  - May 10, 2022 – Meeting w/Stakeholders (HB2475, UM2114)
  - May 17, 2022 – Open Forum, 6pm to 8pm
  - May 18, 2022 – Open Forum, 9am to 11am
  - May 27, 2022 – Receive final comments from stakeholders
- Filing June – Interim Bill Discount Tariff and Cost Recovery Tariff
- Expedited approval of program/tariff in July
- Program effective August 1, 2022
- Continued assessment of program through reporting and collaboration with stakeholders and Staff

## Program Design

- Discount of 25% is available to households with incomes up to 60% of Oregon's State Median Income (SMI), adjusted for household size
- Low barriers for enrollment including auto-enrollment and self-attestation
- Provides a meaningful reduction in energy burden
- Collaboration with community-based organizations to share information and use the bill discount in conjunction with other programs and assistance.

# Program Eligibility/Enrollment

- **Auto Enrollment**

- At implementation all customers who have received energy assistance in the last year (60% SMI) will be auto-enrolled on the low-income discount rate.
- Customers who receive energy assistance in the future will also be placed on the low-income discount rate.

- **Self-Attestation**

- Customer may attest to their household income as meeting the requirement of the discount rate (60% SMI).
- Customer may enroll online or by sending a paper application to the utility.
- Customers will be required to re-enroll every two years.
- Company will request permission to provide information and referrals to other programs.

- **Post Enrollment Verification**

- Excludes customers who have received energy assistance in the last 12 months.
- Post-enrollment certification to begin in 2023.
- 3% of participating customers will be randomly chosen to verify eligibility.

# Bill Discount Analysis

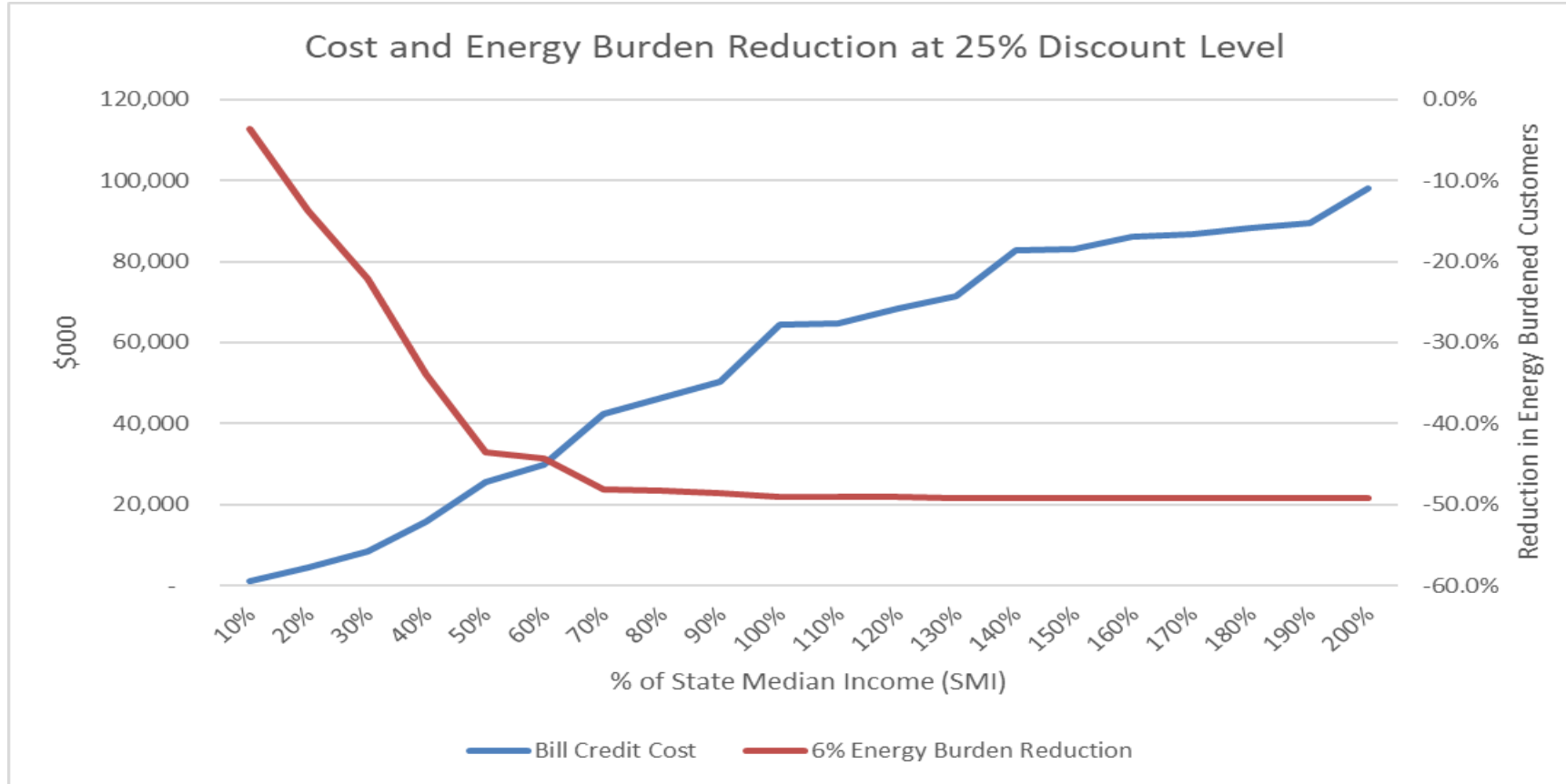
- Proposed discount will provide an approximate 44% reduction in customers with energy burdens above 6%.
- The projected initial cost of the bill discount for year 1, with a participation level of 15%, is approximately \$5.3 million or 0.40%.
- Bill impacts
  - Residential - \$0.35 per month.
  - Non-residential - \$0.00035 per kWh.
    - No Cap

<b>Participation Level</b>	<b>Per Survey Respondents</b>	<b>Total Pacific Power Oregon</b>	<b>Bill Impact</b>	<b>Monthly Cost Per Residential Customer</b>
15%	\$210,183	\$5,270,189	0.40%	\$0.35
85%	\$1,191,040	\$29,864,404	2.10%	\$1.99
100%	\$1,401,223	\$35,134,593	2.50%	\$2.34

# Estimated Program Administration

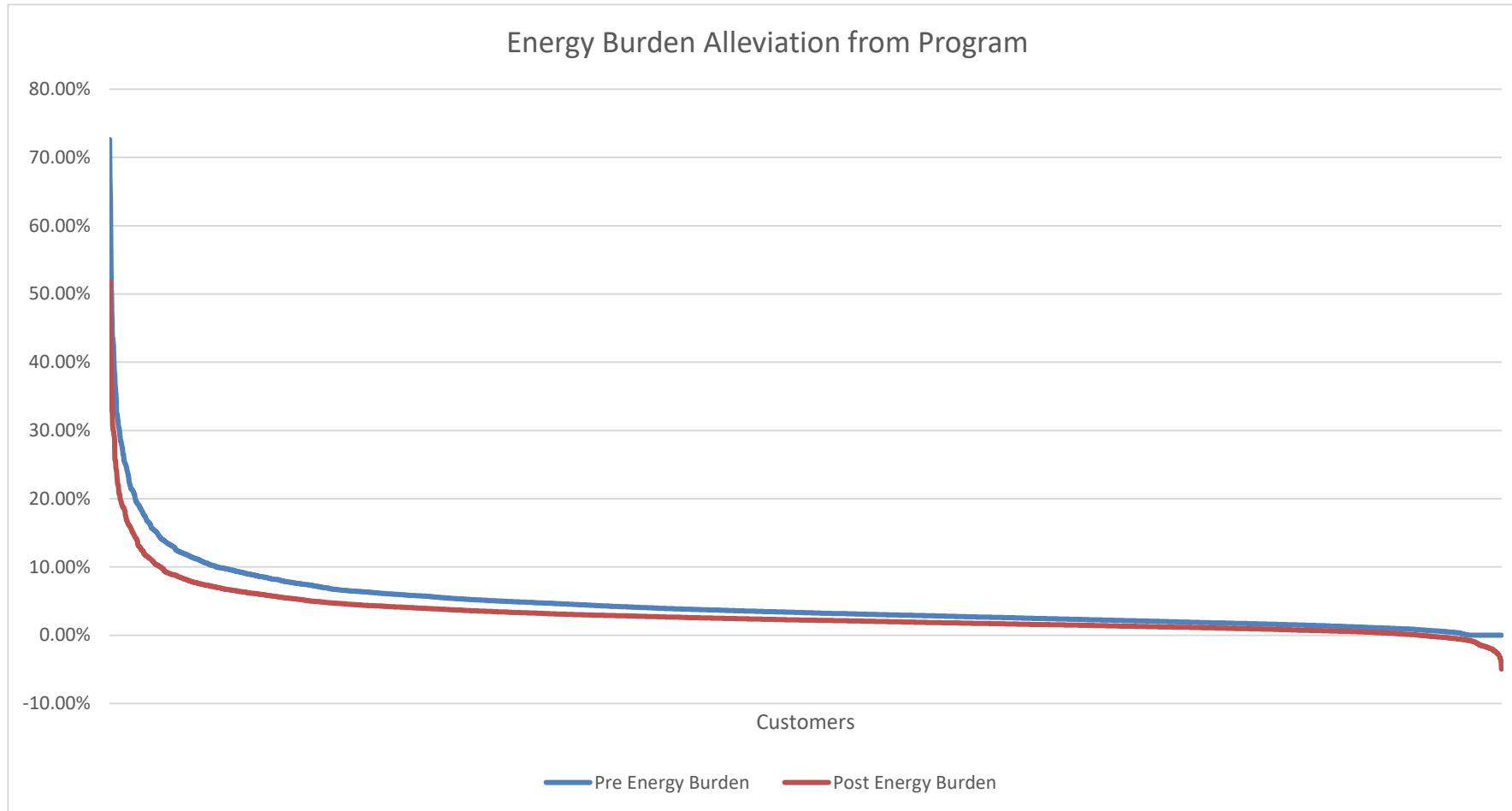
	<b>Annual Budget</b>
<b>Outreach</b>	
Applications/Inserts/Recertification	\$50,000
Media	\$25,000
Outreach (other)	\$25,000
Survey	\$70,000
<b>Total Outreach</b>	<b>\$170,000</b>
<b>Processing/Certification/Verification</b>	<b>\$25,000</b>
<b>General Administration</b>	
Includes Billing System/ Programming, Consulting Services, Labor Costs (including overhead), Regulatory Compliance	<b>\$45,000</b>
<b>Total Administration</b>	<b>\$240,000</b>

# What level of eligibility best targets the need?

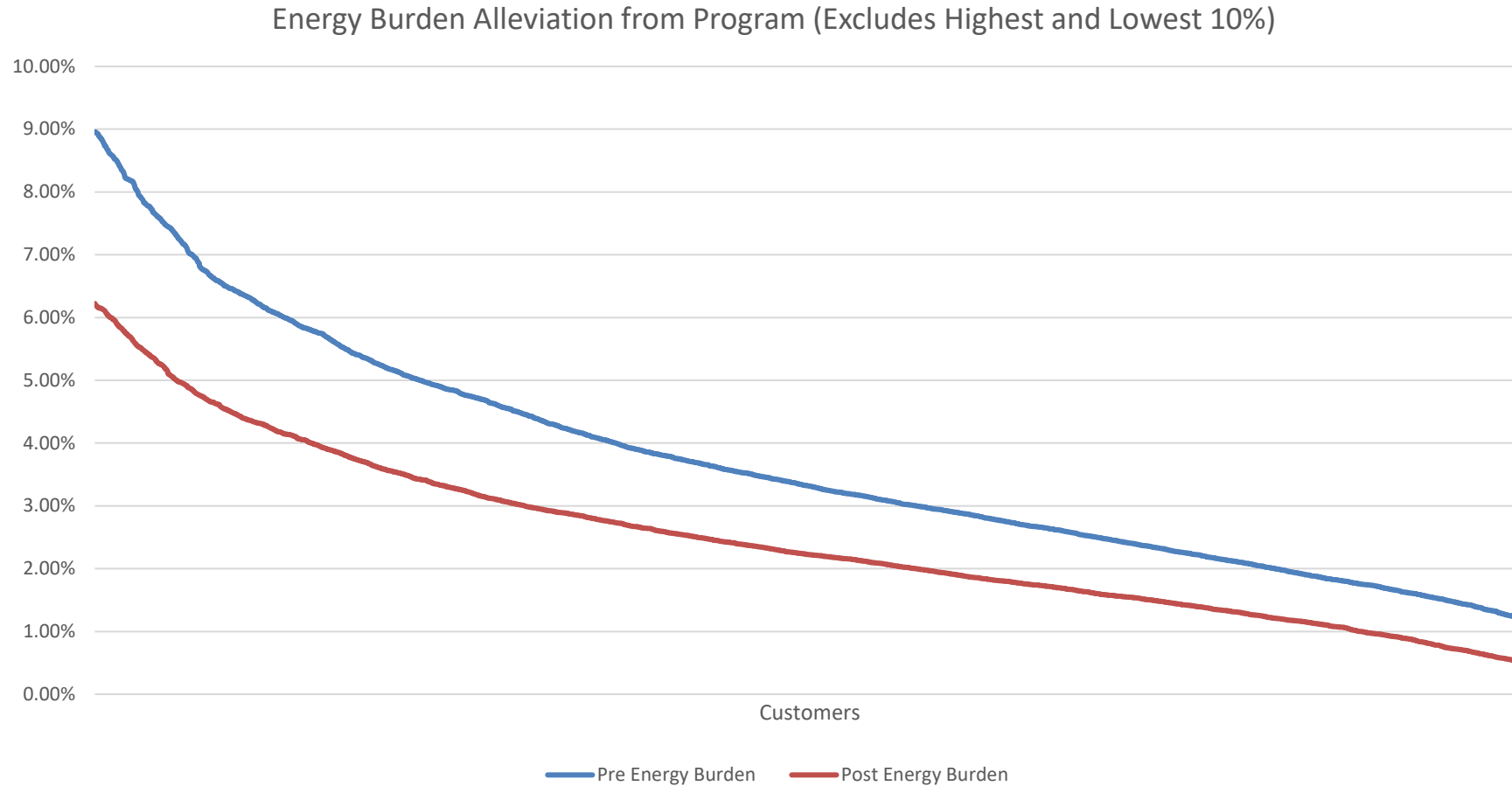




# Energy Burden Reduction



# Energy Burden Reduction



# Program Design Considerations

Description	Percentage of Customers below 6% Energy Burden	Cost @ 85% Adoption (\$000)
Avista 4 Tier - 90% for 0-5% SMI; 60% for 6-20% SMI, 25% for 21-40% SMI; 15% for 41-60% SMI	63.20%	\$30,580
PGE/NWN 3 Tier - 25% for 0-30% SMI; 20% for 31-45% SMI; 15% for 46-60% SMI	40.90%	\$23,375
2 Tier - 40% for 0-30% SMI; 20% for 31-60% SMI	57.40%	\$30,734
20% Discount for 60% SMI or less	36.90%	\$23,892
<b>Recommended - 25% Discount for 60% SMI or less</b>	<b>44.40%</b>	<b>\$29,864</b>

# Single Tier Approach

- Easier to explain and understand
- Lower cost and ease to implement and maintain
- Allows for easier auto-enrollment without additional verification, larger number of customers helped immediately
- Consistent with CARE program already in place
- Alleviates concern with untested approach of self-attestation with tiered discount levels
- Provides meaningful credit to all eligible customers across different energy burdens

# Outreach and Communication

- Stakeholder Engagement
  - Brochures and applications to community-based organizations
  - Community and Equity Advisory Group
  - Company will continue to refer customers to agencies for additional assistance
- Customer service representatives will provide enrollment information over the phone (direct customer to website or send form)
- Information and form on the website
- Social media advertising about program
- Email campaign
- Bill inserts to all customers outlining the program
- Surveys
  - Email surveys sent to customers shortly after enrollment
  - More robust survey sent out annually

# Program Questions to Consider

- Who should get a bill discount?
- What should a bill discount look like?
- What level of discount seems like the right amount?
- What is your opinion about a bill discount for low-income customers paid for by all customers?
- How should utilities help lower customer's energy burden?
- How can Pacific Power make a low-income bill discount fair and accessible?
- What outreach efforts can Pacific Power do to promote this program to customers?