



Oregon Citizens' Utility Board

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Public Utility Commission
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RE: ADV 1373 - Comments on Northwest Natural's Request for Increased Schedule R Arrearage Management Program Funding (NWN OPUC Advice No. 22-01)

The Oregon Citizens' Utility Board (CUB) appreciates the opportunity to comment on Northwest Natural's (NW Natural) February 17, 2022, request for an additional \$3.1 million in funding for its arrearage management program (AMP). This request includes \$750,000 to extend its Instant Grant program which is proposed to automatically award up to \$300 to the outstanding bills of customers receiving energy assistance (EA).

The Energy Affordability Act (HB 2475) amended ORS § 757.230(1) to provide low-income residential customers relief from the "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" by acknowledging income within the context of rate design (e.g., discount for customers with low incomes). CUB appreciates the Oregon Public Utility Commission Staff's (Staff) synthesis of stakeholder feedback on implementation of HB 2475 differential rates and programs and is in general agreement with Staff's baseline evaluation criteria for interim action.

On February 1, 2022, Staff indicated it expected gas utilities to continue to provide AMP program or other enhanced bill assistance until differential rate programs are implemented and to incorporate a component to target funds for low-income/high energy burden households. Staff proposed that natural gas utilities submit requests for additional authorizations or tariff changes to ensure these bill assistance opportunities remain available to their customers until the interim rate is put in place.¹

First and foremost, CUB emphasizes the importance of the utility's ongoing assessment of program functionality and customer impacts during this interim phase. The ongoing investigation and analyses are critical to informing the longer-term program which may diverge from the interim program. CUB emphasizes that the utility's interim program does not necessarily set a precedent for its final differentiated rate and program, but is a means to provide timely relief to those in need and an opportunity to collect data that can inform a robust low-income differentiated program. CUB encourages NW Natural to continue to examine ways to streamline

¹ PUC Staff Interim Action Proposal Update, OPUC Docket No. UM 2211 (Feb. 1, 2022).

eligibility and ease of enrollment. CUB provides our comments to NW Natural's AMP request based upon Staff's Finalized Baseline Evaluation Criteria for Interim Action.

Eligibility

CUB appreciates that NW Natural's proposal makes it quick and easy for certain EA recipients to automatically receive Instant Grant awards and immediately reduces those low-income customers' energy burden. CUB believes that, at a minimum, this proposal should move forward as scheduled to provide immediate relief to those low-income customers.

CUB appreciates that NW Natural's proposal provides for auto-enrollment. CUB would like for the program to be open to customers who have received or are receiving EA since 2019, as well as any application-based enrollments who self-certify as low-income. In addition, CUB would like NW Natural to investigate and consider eligibility requirements that go beyond EA requirements, including evaluating discounts as a percentage of household income or expand their eligibility criteria to include customers up to 300% of the Federal Poverty Level, as Cascade Natural Gas has done. Its investigation should include, but not be limited to, percent of income payment plans, discount programs, and other approaches to reduce energy burden, while the longer-term UM 2211 investigation into statewide bill affordability and energy burden is ongoing. Ohio has implemented a Percent of Income Payment Plan (PIPP) that provides discounts based on a household's monthly income and may lead to greater discounts proportional to a customer's income.² For example, this criterion may better encompass customers living in the Willamette Valley or Oregon Coast regions with higher costs of living that may be less likely to qualify for the current eligibility requirements. CUB would like NW Natural to consider and evaluate adjustments to its interim program to ensure it is accessible to all customers entitled to relief under HB 2475 and provide monthly progress reports on these efforts.

CUB would like to see NW Natural continue to research how to make enrollment as accessible as possible for all low-income customers, including those who are not eligible for auto-enrollment as former or existing EA recipients. Low-income customers should be able to apply for assistance and self-certify their income at enrollment. We believe this is a critical component of early enrollment in the interim program. CUB would like to see NW Natural continue to be innovative in finding ways for customers to access their interim program, including offering the option for community-based organizations (CBOs) or public benefits programs to submit eligible customers to the utility. Their assistance could be a critical component of enrolling low-income customers who are least likely to access the program due to language barriers, ability, or other lack of capacity.

While Schedule 2 (general residential) customers are eligible for the AMP, CUB would like assurances that all residential customers, like Schedule 4 (multifamily non-heat) customers, are eligible for interim bill assistance. If they are not eligible for bill assistance through the AMP programs, we would like the utility to address how residential customers on another rate plan (Schedule 4 or otherwise) will not be left behind on interim relief.

² *Percentage of Income Payment Plan Plus (PIPP)*, Ohio Department of Development, <https://development.ohio.gov/individual/energy-assistance/2-percentage-of-income-payment-plan-plus>.

Level of Relief

CUB is unclear on the level of relief NW Natural is offering to eligible customers under its proposed Instant Grant program. At the workshop on March 4, 2022, CUB left with the impression that low-income customers could receive bill assistance up to \$1,200 for past due balances. However, NW Natural's proposal states eligible customers may only receive non-matching grant funds up to \$300, except for as described in Special Condition 2 on its Schedule R which states where the customer can show financial hardship above and beyond those experienced by the COVID-19 pandemic, they may be eligible for up to \$1,000 without a matching payment request (and those customers may not exceed the \$1,200 program limit).

CUB does not believe that \$300 should be the ceiling for relief for low-income customers. CUB would like NW Natural's interim assistance program to offer assistance grants for low-income customers for the total bill owed up to at least \$1,200, without the matching requirement. This level of assistance should be automatic and customers should not be required to show financial hardship beyond self-attestation of low-income in order to qualify for the award.

The interim bill assistance program is more than a COVID-19 relief program, it is a first step in implementing HB 2475 which recognizes the historical disproportionate energy burden shouldered by low-income customers which existed well before the pandemic. As part of the HB 2475 implementation process in UM 2211, Staff directed gas utilities to propose "enhanced bill assistance for interim relief by Q1 2022 to address winter heating balances that will accrue before an interim rate can be put in place."³ CUB believes that enhanced bill assistance means offering a higher Instant Grant award under a broader definition of low-income eligible customers, beyond those receiving EA, will do more to alleviate the energy burden for low-income customers as intended by HB 2475 and the guidelines outlined by Staff.⁴

Tracking and Accountability

CUB would like to see NW Natural's plans for tracking and accountability to provide an understanding of who is accessing the funding. CUB believes collecting optional data on customers enrollment demographics may be important to strengthening the interim bill assistance program because it can allow NW Natural to better understand who is accessing the grants, which in turn can inform its outreach efforts to reach all eligible customers, specifically those missing from the demographic data. It could be helpful to ask customers where they heard about the program and who aided them in enrollment, perhaps by allowing the option to select multiple CBOs, programs, or agencies identified throughout the stakeholder process as well as an "other" option for customers to choose. To help alleviate barriers to participation in the enrollment survey, the questions could be prefaced with a statement assuring customers that the questions are for informational purposes to help NW Natural reach more customers in need. Collecting optional data on customer enrollment demographics will be important to strengthening the permanent low-income discount program. At a minimum, CUB would like to see NW Natural

³ PUC Staff Strategy Update and Interim Straw Proposal, OPUC Docket No. UM 2211, p 5 (Dec. 22, 2021).

⁴ PUC Staff Interim Action Proposal Update at 2.

look at collecting enrollment demographics by zip code and at monthly intervals, as recommended by Staff.⁵

Bundling

Again, CUB appreciates that NW Natural is proposing a program that automatically provides relief to low-income customers by targeting those who are receiving or who have received EA since 2019. This is a smart way to quickly provide relief to low-income customers. As stated above, CUB would like to ensure the interim bill assistance will be available to those customers who are eligible for EA, but not enrolled, as well as consider under a broader definition of low-income to include those who may not participate in an EA program but is earning a low income. CUB encourages NW Natural to continue to work with EA partners to maximize the distribution of the bill assistance grants.

Outreach and Engagement

As stated earlier, CUB encourages NW Natural to use demographic data to inform and narrowly tailor ongoing outreach and engagement efforts. We encourage NW Natural to connect with other public benefit programs, low-income housing programs, food banks, school lunch programs to assist with outreach to and enrollment of residential customers.

This interim effort is a good start to getting to the intent of HB 2475's efforts to meaningfully alleviate the disparate energy burden placed on low-income customers in the immediate future. It is important to remember that the investigation is ongoing, and this interim program does not set a precedent for the final Income-Qualified Bill Discount program. The information gathered from the interim program, ongoing stakeholder input, and further research will assist the investigation in crafting a final plan that uses best practices towards equitable reduction of the energy burden currently experienced by low-income residential customers. CUB appreciates the quick relief offered by NW Natural's Instant Grant program and hopes that the utility will continue to push to develop a long-term program that fully encompasses the needs of lowest-income customers and provides them with the highest level of benefit. CUB thanks PUC Staff for its guidance in developing these innovative and important programs.

Respectfully submitted,

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⁵ PUC Staff Strategy Update and Interim Straw Proposal at 4.