



ADV 1365 PGE Income-Qualified Bill Discount: Technical Workshop

Thursday, February 24, 2022 3:00 p.m. (PT) Zoom Meeting

[Link to Meeting](#)

Call-in: +1 971 247 1195

Meeting ID: 863 7247 3049

Passcode: 4861745135

1. Introductions

Welcome and brief introductions

2. PGE Presentation

1. Development process
2. Goals for Program Design
3. Program Design Elements
4. Tiered Discounts – Program Maturity
5. Cost Recovery
6. (Additional Materials)

3. Feedback

a. Scoped discussion on proposal using Staff Baseline Evaluation Criteria

1. Eligibility
2. Level of Relief
3. Tracking and Accounting
4. Bundling
5. Outreach and Engagement

b. Additional questions and comments.

4. Next Steps

February 24, 2022	Technical workshop (3:00-4:00 PM)
March 10, 2022	Stakeholder comments
March 17, 2022	PGE reply comments
March 31, 2022	Staff recommendation memo
April 5, 2022	Commission decision at Regular Public Meeting
April 15, 2022	PGE Schedule 18 Effective Date

Resources

- **ADV 1365 edockets (Proposed Bill Discount Program):**
 - <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=23171>
- **UM 2211 Staff Baseline Evaluation Criteria Guidelines:**
 - <https://edocs.puc.state.or.us/efdocs/HAC/um2211hac17313.pdf>
- **ADV 2219 edockets (PGE deferral authorization request):**
 - <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=23138>

Questions

If you have questions on the process or content of this workshop, please contact:

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Proposed Income- Qualified Bill Discount Interim Program

February 2022



Development process

↓ RESEARCH

Review of bill discount programs nationwide: eligibility, administration, participation, structure, etc.

↓ ANALYSIS & DEVELOPMENT OF PROPOSED DESIGN

Eligibility, enrollment, rebate structure, cost recovery

↓ OUTREACH

Stakeholder discussions

Incorporate feedback

Intervenor bridge funding in process for program design and tariff work

↓ ADDITIONAL STAKEHOLDER DISCUSSIONS

↓ OPUC FILING

Tariff filing in January 2022 for interim program

→ OPUC APPROVAL

Targeting program start April 2022

→ ONGOING ASSESSMENT AND ADJUSTMENTS

Monthly implementation meetings with partners in year 1; as needed thereafter

Information filed quarterly during year 1; annually thereafter



Goals for program design

Develop a well-designed bill discount program that addresses energy burden for PGE's low-income customers and increases affordability of their electricity bills.

- **Equitable:** Meaningful bill decrease that recognizes degree of need for participating customers
- **Simple:** Easy to understand, explain, administer
- **Efficient:** Self-certification for all customers
- **Purposeful:** Encourages and incentivizes improved bill-payment and energy usage behaviors
- **Instills trust for participants:** Protects and respects customer's personal information
- **Instills trust for non-participants:** Program design includes accountability mechanisms
- **Reasonable cost impacts:** Program design provides reasonable certainty on costs; program cost is set at a reasonable level; costs to administer are reasonable

"If noting that "affordability" is the objective, remember that pursuing affordability, and thus offering a low-income discount, is a means to an end, not an end unto itself. The outcome which a stakeholder should seek to achieve through a universal service program is the ability of income-challenged customers to take utility service under sustainable conditions."

- Roger Colton, national low-income advocate

Program design elements [1]

ELIGIBILITY AND ENROLLMENT

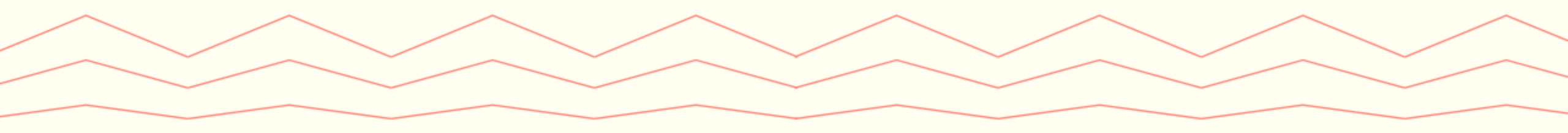
- Available to households with household incomes up to 60% of Oregon's State Median Income (SMI), adjusted for household size
 - Eligibility 99% in alignment with Oregon's state and federal energy assistance programs
 - Income threshold for single-person households increased slightly to cover those earning minimum wage
 - Year 1 enrollment forecast of about 24,600 customers, 15% of all eligible customers, assuming April start date
 - PGE explored auto-enrollment based on receipt of state and federal energy assistance, but technical/administrative constraints preclude use at program launch. Consultation w/ OHCS underway on future implementation. In first year will partner with CAAs to facilitate easy access to program, including pro-active outreach to customers who receive OEAP/LIHEAP.
- Self-certification enrollment via declaration of household size and gross annual income
 - Simple form and easy enrollment process that is accessible online, by phone, or by mail
- Re-enrollment required every two years for all participants; will recommend permanent program add four-year re-enrollment intervals for SSA and SSI recipients
 - PGE considered re-enrollment after first year given interim nature of program but initiating re-enrollment communications at 10 month point significantly increases risk of customer confusion and program disruption should the OPUC investigation result in the need for significant program changes
 - Stakeholders strongly preferred longer intervals for re-enrollment to minimize customer impact and reduce potential for participation loss
- Work with partners to maximize enrollment



Program design elements [2]

BUNDLING

- Provide information on weatherization and other assistance options to enrolled customers
 - Referrals and partnership approach to CAP weatherization services, state and federal energy assistance, and other cost-free benefits (SNAP, TANF)
 - Partner with ETO and CBOs on targeted no-cost programs that complement free CAP weatherization services
 - Referrals to cost-sharing or rebate-on-purchase offerings may be less helpful to customers eligible for free services (including households eligible for PGE's income-qualified bill discount program)
 - PGE is interested in exploring free welcome bundles with the ETO, similar to those previously provided to CAP agencies for customers receiving LIHEAP or OEAP funds. Such bundles might include LED bulbs, low-flow shower heads or other items that can bring immediate energy savings to renters or homeowners alike.



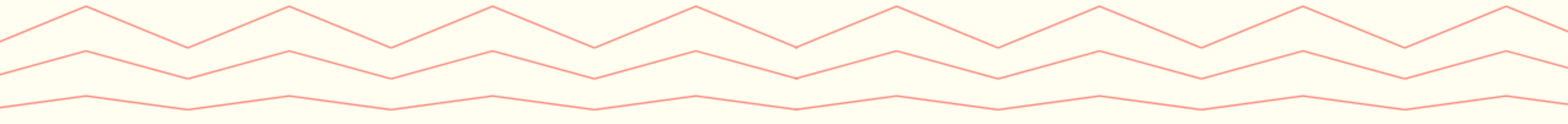
Program design elements [3]

PROGRAM DESIGN AND LEVEL OF RELIEF

- Percent-of-bill discount (vs flat dollar discount)
 - Allows discount to scale with bill amounts to provide greater relief to those with higher bills
- Three discount levels pegged to Oregon's state median income matrix (income/household size) to provide greatest relief to lowest income households
 - Up to 30% SMI → 25% discount
 - 31% to 45% SMI → 20% discount
 - 46% to 60% SMI → 15% discount
- Income-eligible customers with verified Medical Certificates will receive bump-up in discount level unless already qualified for largest discount (recommended in stakeholder workshop)
- Projected mature budget of \$28.3 million in direct costs
 - Year 1 budget estimated at \$4.2 million in direct costs (note: 9-month year)
- Non-bypassable cost recovery with a maximum monthly charge of \$1,000 for non-residential customers
 - Residential: \$1.58 (1.5%) Small Commercial: \$2.21 (1.2%)
 - Large Commercial: \$230 (1.8%) Industrial: \$1,000 (0.4%)

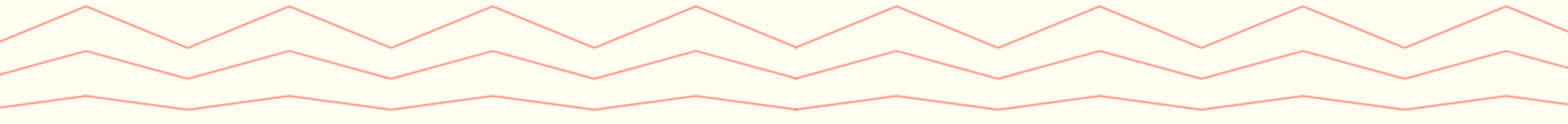
Program design elements [4]

VERIFICATION OF NEED

- Post-enrollment verification of need beginning in 2023
 - 3% of participants selected randomly each year to verify discount (modelled on California CARE program)
 - Customers will receive at least three communications notifying them that they have been randomly selected
 - PGE will continue to work with stakeholders to ensure a sensitive verification process and a wide range of acceptable documentation
 - If customer doesn't provide documentation or if they are over income, discount will be discontinued; however, customer can re-enroll right away with verification of need
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- The bottom of the slide features a decorative graphic consisting of three horizontal, wavy lines in a light red or pink color, creating a rhythmic, wave-like pattern across the width of the page.

Program design elements [5]

IMPLEMENTATION, REPORTING AND ASSESSMENT

- Monthly meetings focused on outreach and other implementation issues with CAP agencies and other partners in Year 1; as needed thereafter
 - Quarterly reporting on key performance metrics for program as a whole and broken out by zip code during Year 1; annually thereafter
 - Enrollment numbers
 - Aggregated customer characteristics (already tracked by PGE), and benefit and bill statistics
 - Tracking of PGE outreach and marketing activities
 - See program marketing details in Appendix
 - Tracking of administrative and direct costs via a deferral (application submitted in advance of this filing)
 - Year 1 survey of program participants enrolled as of August 30, 2022 on program experience and impacts of bill discount
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Tiered discounts – Program Maturity

Discount tiers	Eligibility threshold as % SMI ¹	Median monthly bill	% of bill discount	Median bill savings	End of Year 5 participation estimates ²	Estimated annual direct costs ³
Tier1	30%	\$95	25%	\$24	42,200	\$12.0M
Tier2	45%	\$96	20%	\$19	40,100	\$9.2M
Tier3	60%	\$96	15%	\$14	40,800	\$7.0M

Estimated annual direct cost at 75% participation rate

\$28.3 million (~1.4% of PGE annual revenues)

Bill increase (price impact)	Residential	Small Commercial	Large Comm / Industrial
Monthly charge with \$1,000 cap for non-residential customers	\$1.58 (1.5%)	Ave \$2.21 (1.2%)	\$230 (1.8%) / \$1,000 (0.4%)

¹ Tier income thresholds expressed in dollars, by household size, provided in Appendix; Tier 3 threshold for single-person households increased slightly.

² Assumes 75% participation rate among all eligible customers by end of Program Year 5.

³ Annual direct costs and price impacts do not include program administration or marketing costs.

Tiered discounts – Year 1

Discount tiers	Eligibility threshold as % SMI ¹	Median monthly bill	% of bill discount	Median bill savings	End of Year 1 participation estimates ²	Estimated annual direct costs ³
Tier 1	30%	\$95	25%	\$24	8,450	\$1.8M
Tier 2	45%	\$96	20%	\$19	8,050	\$1.4M
Tier 3	60%	\$96	15%	\$14	8,150	\$1.1M

Estimated annual direct cost at 15% participation rate **\$4.2 million** (~0.2% of PGE annual revenues)

Bill increase (price impact)	Residential	Small Commercial	Large Comm / Industrial
Monthly charge with \$1,000 cap for non-residential customers	\$0.22 (0.2%)	Ave \$0.31 (0.2%)	\$32 (0.3%) / \$850 (0.3%)

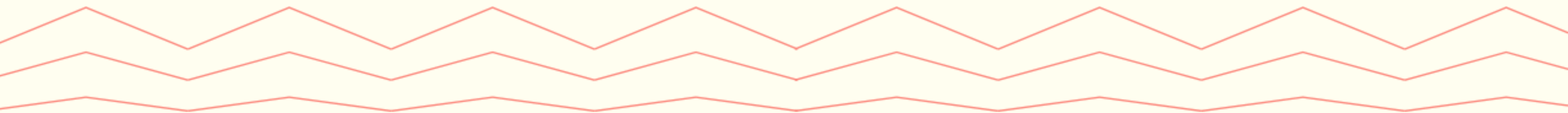
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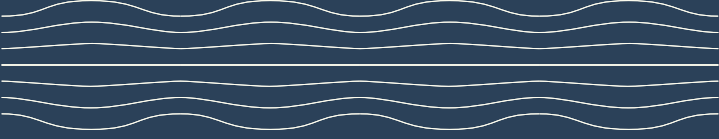
² Assumes 15% participation rate among all eligible customers by end of Program Year 1 (9-month year).

³ Annual direct costs and price impacts do not include program administration or marketing costs.

Cost recovery

- The cost recovery structure includes a monthly, per-customer charge for residential customers and a volumetric charge for non-residential customers
 - A per-customer charge is simple and efficient for residential customers, who tend to have more similar usage amounts compared to non-residential customers
 - Since usage levels vary heavily among non-residential customers, a volumetric charge ensures customers of different sizes pay a similar amount relative to their bill
 - Non-residential charges will be capped at \$1,000 per bill, affecting only the very largest customers
- An automatic adjustment clause will allow for collections beyond the standard threshold of 3% of earnings
- A two-way balancing account for direct costs will enable concurrent spending and collections
 - Funds are isolated and tracked separately for a complete accounting of revenues and costs
 - Account to be reviewed at least annually with adjustments made for the following year to close gaps between benefits and collections in either direction
 - Review can occur more frequently during ramp up if enrollment numbers vary significantly from planned projections
- PGE's Schedule 135 is a good example of this structure





Appendix



Eligibility matrix (OHCS 2021-2022)

HH Unit Size	30% SMI	45% SMI	60% SMI ¹
1	\$14,667	\$22,001	\$30,700
2	\$19,187	\$28,780	\$38,373
3	\$23,701	\$35,552	\$47,402
4	\$28,215	\$42,323	\$56,430
5	\$32,730	\$49,094	\$65,459
6	\$37,244	\$55,866	\$74,488
7	\$38,091	\$57,136	\$76,181
8	\$38,937	\$58,406	\$77,874
9	\$39,784	\$59,675	\$79,567
10	\$40,630	\$60,945	\$81,260
11	\$41,477	\$62,215	\$82,953
12	\$42,323	\$63,484	\$84,645
13+ (ea.)	+\$846	+\$1,269	+\$1,692

¹ Income threshold for single-person households increased slightly to cover those earning full-time minimum wage

Stakeholder discussions

- **ONE-ON-ONE AND GROUP CONVERSATIONS WITH CBOs AND OTHERS SEPT. 20-NOV. 17**
 - CUB, OPUC, OHCS, CAPO, NWECA, Verde, Multnomah County/City of Portland, Clackamas County, Community Energy Project, Energy Trust of Oregon, Coalition of Communities of Color, SnowCap, African American Alliance for Homeownership, Adelante Mujeres, Meals on Wheels, Oregon Energy Fund, Community Action, Mid-Willamette Valley Community Action, Yamhill Community Action Partnership, Multnomah county and sub-agencies El Programa, Human Solutions, Impact NW, IRCO, Latino Network, NAYA, SEI
 - Also presented to Avista, BPA, NW Natural and Pacific Power
- **GROUP DESIGN DISCUSSIONS WITH CBOs AND OTHERS, DEC. 14-20**
 - CUB, OPUC, CAPO, NWECA, Verde, Multnomah County/City of Portland, Clackamas County, Community Energy Project, Coalition of Communities of Color, SEI, NAYA, Latino Network, African American Alliance for Homeownership, OPUC staff
 - Bridge Intervenor Funding agreements in place with those who were interested
- **CUSTOMER FOCUS GROUPS, OCT. 11-19**
 - Two cohorts – low-income and other



Marketing & Outreach Tactics – Year 1

Web landing page - English/Spanish

- Web landing page with program information – including information in 15 languages*
- Online enrollment form w/self-certification
- Updates to existing [bill assistance page](#)

Digital ads - English/Spanish

- Address-targeted digital ads to EA recipients prior to program go live (A/B testing on messaging)

Direct mail - English/Spanish

- Three touchpoints for EA recipients prior to program go live (A/B testing on send method):
 - Letter/tabbed mailer 1
 - Letter/tabbed mailer 2
 - Reminder postcard
- Possibly two touchpoints for customers getting auto enrolled post program go live:
 - Enrollment confirmation direct mailing (incl. ask to self-certify income to be slotted into the right tier)
 - Reminder direct mailing

Emails (EM) - English/Spanish

- Three touchpoints for EA recipients prior to program go live (A/B testing on messaging):
 - Email 1
 - Email 2
 - Reminder postcard
- Possibly two touchpoints for customers getting auto enrolled post program go live:
 - Enrollment confirmation EM (incl. ask to self-certify income to be slotted into the right tier)
 - Reminder EM

Bill insert - English/Spanish/Russian/Vietnamese

- Bill insert targeted to customer who received EA in the past

*Languages selected based on Census data and PGE Language Line data: Arabic, Burmese, Chinese Traditional, Chinese Simplified, English, Farsi, Japanese, Korean, Romanian, Rohingya, Russian, Spanish, Somali, Swahili, Vietnamese

Marketing & Outreach Tactics – Year 1

CBO partnership ideas – Year 1:

- Stakeholder toolkit: Sample newsletter copy and social posts in 15 languages
- Flyers/brochures for CBO partners in 15 languages
- Applications in 15 languages and pre-paid return envelopes
- Flyers/brochures and applications provided to community agencies including employment offices, social service agencies, food pantries, faith organizations, schools

