

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 11, 2021**

REGULAR X **CONSENT** **EFFECTIVE DATE** February 15, 2021

DATE: February 3, 2021

TO: Public Utility Commission

FROM: Sabrinna Soldavini

THROUGH: Bryan Conway and Michael Dougherty **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1233/Advice No. 21-01)
Proposes Schedule 307, Residential Bill Assistance Program.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) request to create Schedule 307, Residential Bill Assistance Program, effective with service rendered on and after February 15, 2021, on less than statutory notice (LSN), and further direct PGE to:

1. Conduct a review with and interested stakeholders of the implementation of PGE's Bill Assistance Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed;¹ and
2. Host a workshop with interested stakeholders on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic within 30 days of the Schedule 307 effective date.

¹ Committed refers to the amount allocated to one of the five Bill Assistance Program offerings. The Company will consider dollars in the Three Month and Extended Match offerings as committed once a customer enrolls in the program so as to ensure funds are not double counted.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 21-01, which creates new Schedule 307, Residential Bill Assistance Program, in accordance with the Stipulation approved in Order No. 20-401, effective with service rendered on and after February 15, 2021, on LSN.

Applicable Law

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.

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.

In Order No. 20-401 the Commission approved a Stipulated Agreement in UM 2114. Paragraph 18 of the Stipulated Agreement:

Each Utility, prior to resuming disconnections, will establish a program to identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts. The program may identify and waive residential arrearages at an initial one-time funding amount of at least 1 percent of each utility's 2019 Oregon retail revenues (approximately \$39 million combined total for all utilities), not to be increased without prior Commission approval...On or before October 1, 2022, Parties can propose a process to address any unspent funds if the Utility program covers arrearage forgiveness in accordance with the Utility's funding addendums and funds are remaining. Utilities may include program costs and uncollectible expense identified in deferral tracking.²

² Staff notes that these funds are in addition to any low-income assistance programs that certain customers will be able to obtain through community action agencies or counties.

Analysis

Background

On March 8, 2020, Oregon Governor Kate Brown declared a state of emergency due to the public health threat posed by COVID-19, and directed Oregonians to stay at home to the greatest extent possible in Executive Order No. 20-12 (March 23, 2020). The state of emergency has been extended, most recently, in Executive Order 20-67 (December 17, 2020) to last through March 3, 2021, unless extended or terminated earlier by the Governor.

On June 9, 2020, the Commission conducted a Special Public meeting on the “Impact to Utility Customers during the COVID-19 Pandemic and Future Economic Recovery.” As a result of this meeting, Docket No. UM 2114 was opened to address the challenges caused by the COVID-19 Pandemic. A stipulated Agreement in Docket No. UM 2114 was approved by the Commission in Order No. 20-401 on November 5, 2020.

The Stipulation requires that electric utilities establish an arrearage management program prior to the resumption of residential disconnections. Paragraph 4 of the Stipulated Agreement states, “[f]or residential customers, the Utilities may resume 15-day disconnection notice (in accordance with OAR 860-021-0404) on April, 1, 2021.” As a result, residential disconnects can start as early as April 15, 2021.

PGE first presented its residential bill assistance program (Bill Assistance Program or Program) to Staff and stakeholders at a December 17, 2020 workshop. Based on feedback from workshop participants, PGE modified its proposed programs and presented them at a workshop it held on January 11, 2021.

Subsequently, on January 22, 2021, PGE filed its Tariff Advice No. 21-01, requesting approval to create new Schedule 307, Residential Bill Assistance Program.

For PGE, one percent of 2019 Oregon retail revenues is equal to \$17.557 million. As discussed in greater detail below, PGE residential arrears totaled \$32.2 million in December 2020, with approximately 76 percent of customer arrears falling into the 91+ days arrearage category. PGE’s proposed Bill Assistance Program prioritizes 91+ days and 61+ days arrearage balances, while also providing options for customers who are not as far behind.

PGE’s Bill Assistance Program

As proposed in Advice No. 21-01, PGE’s Bill Assistance Program would provide five bill assistance options to customers whose accounts are in arrears. Those five options are as follows:

1. 50/50 Plan – A one-time PGE bill payment to match a customer payment of an equal amount.
2. Three-Month Payment Match – PGE will match customer payments of equal amounts. Matching stops after three months or when the total account balance reaches \$0.
3. Extended Match Program – A bill payment plan under which PGE will match customer payments for up to 12 months. To be eligible, a customer must enroll in a Time Payment Arrangement (TPA) plan, up to 24-months, to match payments up to the first 12 months of a TPA. Matching stops after 12 months, when total account balance reaches \$0, or if the customer is disconnected.
4. Customer Assistance – A one-time bill payment by PGE, for up to \$500, to help a customer get current on their balance. This assistance will be made available to customers who are unable to make matching payments. This assistance will also cover any remaining customer balance after receiving energy assistance, up to \$500. PGE will allocate no more than 10 percent of total funding available to this program.³
5. Reconnect Assistance – One-time PGE bill payment matching a customer's payment to reconnect disconnected customers. For customers who utilize this option, PGE will also offer enrollment in a TPA plan of up to one year. Customers who previously used one of the four other options are eligible to utilize this option.

All five Program options are open to customers who are more than 31 days in arrears.⁴ None of the five program options will leave a credit on a customer's account, and the maximum available assistance is \$1000 per customer. Further, Program options may be utilized in any combination to reach the \$1000 limit.

For example, consider a customer with \$800 in arrears. That customer may first elect to use the 50/50 Plan, opting to pay \$100 towards their arrears. PGE would match the \$100 payment, and the customer would then have \$600 in arrears. The customer would still be eligible to have the remaining arrearage balance managed through another assistance option, such as the Extended Match program.

³ Staff notes that 10 percent of available funds is equal to approximately \$1.557 million. Given the \$500 maximum payment, this option could at a minimum assist 3,114 customers.

⁴ 31+ days in arrears means an account is one day or more past the due date on a customer's bill.

An illustrative example of how the remaining \$600 in arrears would be covered by the Extended Match option for a customer, who opted for a 12-month TPA, is provided below.

Table 1 - Extended Match Example

Beginning Arrears	\$	600.00		
12-Month TPA Payment	\$	50.00		

Month	Customer Pays	PGE Matches	Remaining Arrears
1	\$ 50.00	\$ 50.00	\$ 500.00
2	\$ 50.00	\$ 50.00	\$ 400.00
3	\$ 50.00	\$ 50.00	\$ 300.00
4	\$ 50.00	\$ 50.00	\$ 200.00
5	\$ 50.00	\$ 50.00	\$ 100.00
6	\$ 50.00	\$ 50.00	\$ -
7	\$ 50.00		
8	\$ 50.00		
9	\$ 50.00		
10	\$ 50.00		
11	\$ 50.00		
12	\$ 50.00		

Staff finds that it is most helpful to think of PGE's Extended Payment Match as a program layered on top of a traditional TPA. Generally, if a customer enrolls in a 12-month TPA, that customer is agreeing to pay 1/12th of their arrears each month.⁵ For a customer with \$600 in arrears, this would equate to \$50. Under PGE's Extended Match plan, the arrearage would now be paid off in six months, as opposed to 12, due to the payment matching by PGE. Similarly, a 24-month TPA agreement with the Extended Match Program layered on top, would allow a customer to clear their balance in 12 months versus the standard 24 months.

PGE also notes that as this is a unique program, it is difficult to estimate how customers will utilize its Bill Assistance Program. As such, the Company will track enrollment and spending of each program on a weekly basis, and may wish to create additional programs or make adjustments to the five proposed programs as it develops experience operating these programs, upon Commission approval.

In response to a Staff information request, PGE provided provisional estimates on the amount it might spend on each of the five proposed Bill Assistance Program offerings in

⁵ OAR 860-021-0415.

2021. The estimates are as follows, and assume a 50 percent participation rate from eligible customers:

50/50 Plan: 10 percent
Payment Match: 20 percent
Extended Match Program: 45 percent
Customer Assistance: 10 percent (maximum included in the proposed tariff)
Reconnect Assistance: 15 percent.⁶

Staff Objectives & Review

The Stipulation adopted by Order No. 20-401 provides a broad range of customer protection measures, including a moratorium on disconnections, the waiving of late fees until 2022, and the creation of funding for bill assistance programs meant to prevent bad debt from accumulating on utility accounts. Staff's overarching objective in implementing these measures is to provide relief for customers suffering due to the sustained economic hardship brought on by an unprecedented global pandemic.

As described in the Stipulation, the specific role of the Bill Assistance Program is to "identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts." Therefore, Staff's review focused on whether the proposed Program is likely to prevent bad debt from accumulating on accounts. The goal of this approach is to strike an appropriate balance between providing relief to a broad range of customers—all of whom are in unique circumstances of need—and prioritizing those who are burdened by the greatest amount of debt and are at the highest risk of disconnection. As noted above, as of December 2020, PGE residential arrears total over \$32 million, while the available authorized amount for the Bill Assistance Program is currently limited to \$17.557 million.

To understand why this review is especially important, recall that Order No. 20-401 allows for the costs of the Company's Bill Assistance Program to be tracked and recorded for future rate recovery in PGE's COVID-19 deferral.⁷ This means that funds used to relieve current arrears (and prudently incurred incremental program costs), will be collected in rates to be determined at a future date.

PGE Residential Arrears

A critical piece in evaluating the reasonableness of PGE's proposal is to understand the amount and distribution of residential arrearage data. The Figures below depict the changes in PGE residential arrears in 2020.

⁶ PGE response to Staff Information Request No. 11.

⁷ PGE's COVID-19 deferral can be monitored through Docket No. UM 2064. PGE's quarterly COVID-19 report can be monitored through Docket No. RE 186.

Figure 1 – PGE Residential Arrears 2020

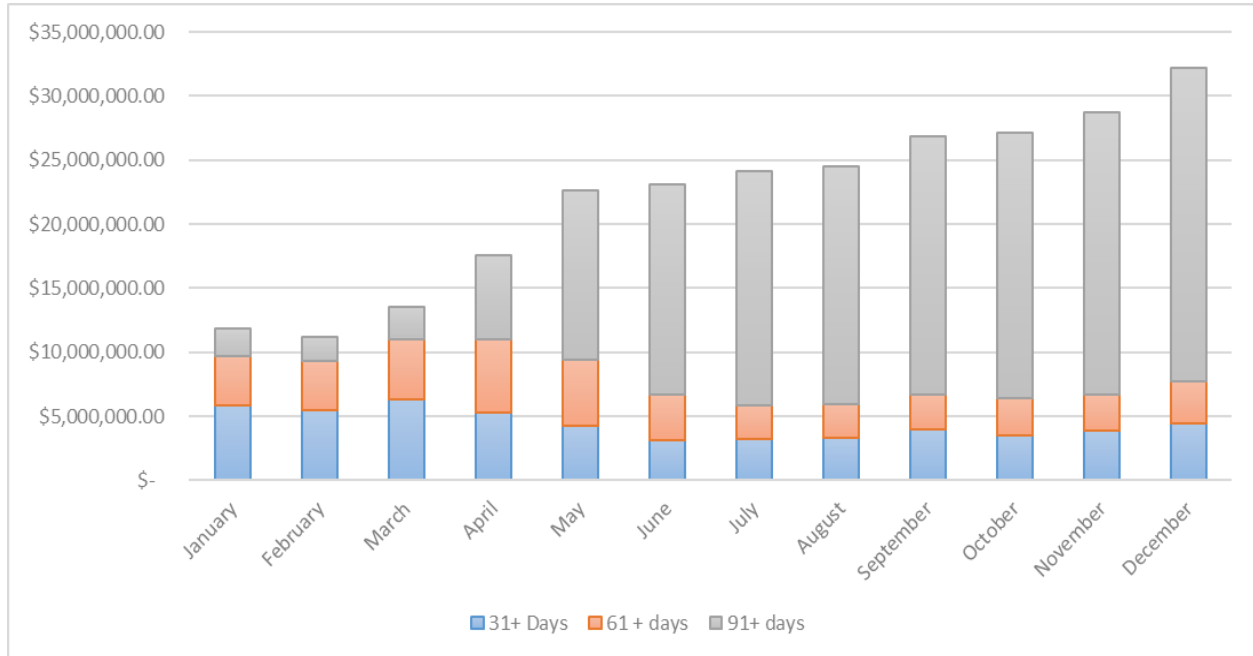


Figure 2 – PGE Average Residential Arrears 2020

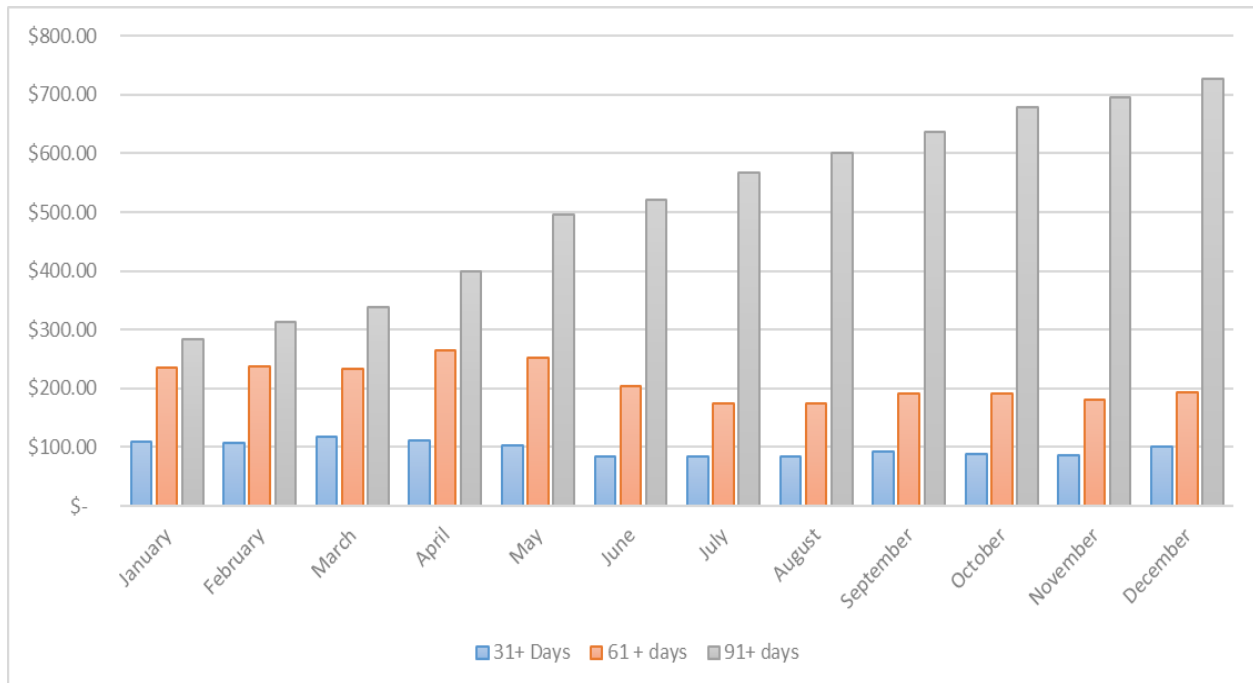


Figure 3 Residential Arrears Distribution – 91+ Days 2020

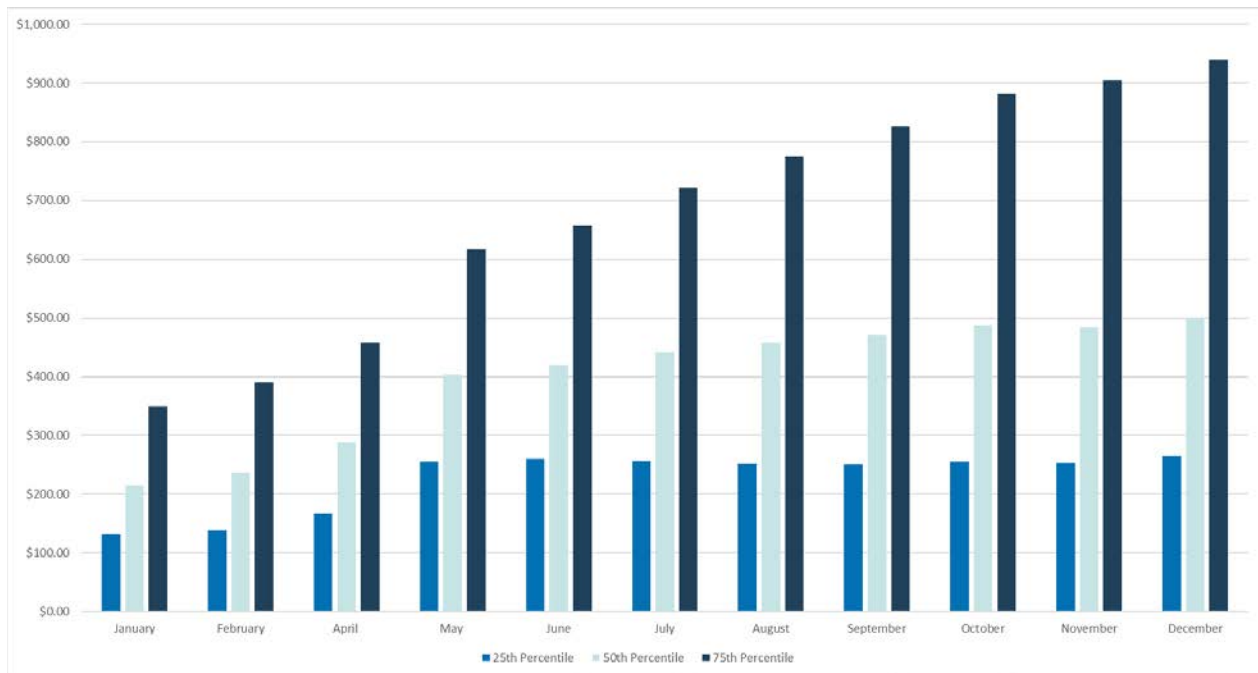


Table 1 – Residential Arrears Distribution

	January 2020			December 2020		
Balance	31-60 Days	61-90 Days	91+ Days	31-60 Days	61-90 Days	91+ Days
25th Percentile	\$46.93	\$128.58	\$131.98	\$44.48	\$99.82	\$264.55
50th Percentile	\$88.40	\$208.51	\$214.87	\$78.32	\$156.48	\$498.96
75th Percentile	\$136.26	\$299.85	\$349.18	\$121.33	\$228.37	\$939.77

Data points include:

31+ Days Segment, January to December 2020:

- Customers in Arrears – Decreased by 8,916 (16.74 percent)
- Residential Arrears – Decreased by \$1,380,320.63 (23.73 percent)
- Average Residential Arrears – Decreased by \$9.16 (8.39 percent)

61+ Days Segment, January to December 2020

- Customers in Arrears – Increased by 437 (2.68 percent)
- Residential Arrears – Decreased by \$588,427 (15.36 percent)
- Average Residential Arrears – Decreased by \$41.28 (17.57 percent)

91+ Days Segment, January to December 2020

- Customers in Arrears – Increased by 26,009 (335.51 percent)
- Residential Arrears – Increased by \$22,338,828 (1019.73 percent)
- Average Residential Arrears – Increased by \$443.97 (157.11 percent)

Of particular concern to Staff is the clear trend in customer arrearages becoming concentrated in the 91+ days arrears category as a result of the COVID-19 pandemic. This suggests that many customers impacted by the COVID-19 pandemic have fallen further and further behind, and continue to experience financial hardship.

As seen in Figure 1, in January 2020, prior to the pandemic, 18.5 percent of residential arrears were over 91+ days. However, since July 2020, over 75 percent of residential arrears have fallen in the 91+ days category. The most recently available arrearage data (December 2020) shows 76.2 percent of residential arrears fall in the 91+ days category. This means that of the more than \$32 million in residential arrears, more than \$24.5 million falls in the 91+ days category, more than the total available program funds.

The total number of PGE residential customers in arrears increased by 17,530 (22.68 percent) between January and December 2020, from 77,298 to 94,828. Notably, 35 percent of customers make up over 75 percent of the residential arrearage balance, and 25 percent of customers (8,790 customers) in the 91+ days category have arrears greater than \$939 dollars.⁸

All told, the number of PGE residential customers in arrears was 11.87 percent in December 2020 (94,828 out of 789,850 customers). The total average arrears balance increased from \$153 in January to \$340 in December 2020.

Based on authorized Program funds of \$17.5 million and December 2020 residential arrears of more than \$32.2 million, PGE can meet just approximately 54.5 percent of the current need without implementing matching programs.

As shown in the Table 2 below, certain communities within PGE's service territory have been disproportionately impacted by the pandemic. Table 2 highlights zip codes within PGE's service territory that fall in the top ten percent in terms of percentage of customers in arrears, average arrears balance, percentage of customers with arrears in the 91+ days category, and average 91+ arrears balance.⁹

⁸ Staff notes that 8,790 residential customers equates to 1.1 percent of residential customers.

⁹ Note, Table 2 does not display all PGE zip codes, just those who fall into the top 10 percent of one of the referenced arrearage metrics. All told, PGE provides service to over 125 zip codes.

For example, the Downtown Portland zip code of 97204 is the region with the largest percentage of customers in arrears, with 27.86 percent of customers in arrears in December 2020, as compared to the PGE average of 11.87 percent.¹⁰

Table 2 - December 2020 Residential Zip Code Analysis

Residential Customer Count in Arrears					Percent In Arrears	Average Arrears	Percent in 91+ Days Arrears	91+ Day Average Arrears
Zip Code	31-60 Days	61-90 Days	91+ Days	Total				
97005	933	406	746	2,085	17.57%	\$ 291.57	6.29%	\$ 600.20
97009	264	69	105	438	12.90%	\$ 533.79	3.09%	\$ 1,440.89
97011	14	3	17	34	6.76%	\$ 599.12	3.38%	\$ 1,006.15
97019	47	12	30	89	7.28%	\$ 616.66	2.45%	\$ 1,327.04
97022	144	28	75	247	17.07%	\$ 578.11	5.18%	\$ 1,319.77
97024	252	126	290	668	14.54%	\$ 425.08	6.31%	\$ 805.44
97030	1,174	483	1,150	2,807	18.62%	\$ 387.52	7.63%	\$ 755.93
97042	50	28	40	118	9.69%	\$ 582.83	3.28%	\$ 1,285.15
97056	1		1	2	6.45%	\$ 1,539.27	3.23%	\$ 2,915.95
97089	310	94	122	526	10.93%	\$ 456.74	2.54%	\$ 1,338.93
97116	20	8	19	47	5.56%	\$ 694.25	2.25%	\$ 1,420.76
97117	10	2	9	21	7.92%	\$ 649.96	3.40%	\$ 1,316.89
97128	17	7	19	43	8.72%	\$ 761.61	3.85%	\$ 1,457.44
97137	16	5	16	37	7.60%	\$ 727.50	3.29%	\$ 1,430.51
97148	60	13	41	114	8.91%	\$ 614.67	3.21%	\$ 1,441.35
97204	41	21	55	117	27.86%	\$ 138.17	13.10%	\$ 238.49
97232	301	205	325	831	16.24%	\$ 130.20	6.35%	\$ 221.49
97233	1,233	612	1,489	3,334	22.21%	\$ 408.68	9.92%	\$ 752.65
97236	1,098	446	1,113	2,657	19.18%	\$ 417.30	8.03%	\$ 810.74
97266	917	441	998	2,356	17.78%	\$ 407.89	7.53%	\$ 786.72
97301	1,775	678	1,434	3,887	20.77%	\$ 326.49	7.66%	\$ 669.84
97305	1,631	407	1,093	3,131	20.55%	\$ 343.61	7.17%	\$ 725.90
97338	6	1	9	21	8.47%	\$ 586.60	3.63%	\$ 1,272.20
97347	48	20	62	139	17.40%	\$ 553.29	7.76%	\$ 1,101.70
97352	3	4	1	10	8.13%	\$ 385.70	0.81%	\$ 1,545.00
97378	255	81	165	583	20.74%	\$ 390.64	5.87%	\$ 1,054.91
97396	159	5	78	266	19.79%	\$ 379.39	5.80%	\$ 971.28
Total	44,326	16,741	33,761	94,828	11.87%	\$ 339.66	4.23%	\$ 726.56

Staff Review of PGE Proposed Tariff and Bill Assistance Offerings

As noted above, Staff's objective in evaluating PGE's proposed Bill Assistance Program is to ensure that given the scope of customer need, and the relatively scarce funding, funds are allocated in a manner that balances customer need with the risk of creating unsustainable levels of arrearages and bad debt for the utilities.

¹⁰ Staff notes that it has also put together an interactive map for public viewing, of the level of arrears within each Oregon Investor Owned Utility's service territory, by zip code, and including information on the wealth index of each zip code. The data can be viewed at the following address:
<https://geo.maps.arcgis.com/apps/instant/interactivelegend/index.html?appid=3a32fc9ca8e44c06ab4e382093293db3>.

Staff's review of PGE's Bill Assistance Program began when PGE introduced the first iteration of its Program to stakeholders at a December 17, 2020, UM 2114 Arrearage Management Workshop.

After this initial workshop, PGE presented a modified version of its Program to stakeholders at a January 11, 2021 workshop. Based on this workshop and stakeholder feedback provided, PGE circulated a draft version of its tariff for stakeholder feedback on January 15, 2021. PGE then submitted the final version of its Bill Assistance Program on January 22, 2021.

In addition to being actively involved in the robust stakeholder process to draft and provide feedback on PGE's Bill Assistance Program, Staff conducted several calls with PGE, provided feedback to PGE on its draft tariff proposal, and issued 16 information requests. Further, Staff has been continuously reviewing the comprehensive monthly arrearage reports required by Order No. 20-401 as they become available.

Appropriate Program Offerings and Customer Eligibility

The Stipulation language approved in Order No. 20-401 specifically states that the purpose of the arrearage management programs are to, "identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts."

While there is certainly evidence that workers in occupations with lower wages were disproportionately displaced by the COVID-19 crisis,¹¹ Staff notes that the purpose of the Bill Assistance Program was not to create a program that is only open to customers who qualify for other low-income programs.

Throughout the COVID-19 investigation process, parties looked for ways to provide appropriate aid to those customers impacted by the COVID-19 pandemic. This includes those who are chronically low-income and have a higher energy burden, as well as those who have previously been able to regularly pay their utility bill, but have been impacted in one way or another from the COVID-19 pandemic (such as those who temporarily were unemployed either due to their own or a loved one's illness, or as a result of the economic impact of stay-at-home orders).

As written, PGE's Bill Assistance Program allocates 90 percent of funds to matching programs, which are eligible to all customers who have been impacted by the

¹¹ <https://research.stlouisfed.org/publications/economic-synopses/2020/07/14/which-earnings-groups-have-been-most-affected-by-the-covid-19-crisis#:~:text=In%20conclusion%2C%20workers%20in%20occupations,unemployment%20rate%20increased%20to%205.34.>

COVID-19 pandemic. Staff believes this appropriately comports to the goals of providing debt relief to both those who have been fallen behind for the first time as a result of the pandemic, and those who have had their circumstances exacerbated by the pandemic.

Staff notes that it approves of PGE's emphasis on customer matching. Though Staff recognizes that there will be customers unable to contribute to matching programs, Staff believes that customers who are able to pay for some portion of their arrears should be encouraged to do so. PGE's matching programs encourage those customers who can pay their regular monthly bill to contribute some amount towards their arrears, which in turn means that a greater number of customers can receive some level of bill assistance.

Further, Staff notes that an emphasis on matching encourages those customers who are eligible to seek energy assistance funding through other available sources, such as the Low-Income Home Energy Assistance Program ("LIHEAP"). Again, this allows for the greatest number of eligible customers to receive some level of bill assistance, and may have the added benefit of allowing low-income customers who are unable to pay their regular monthly bill to have their arrearage balance forgiven without requiring enrollment in a matching program. Recall that customers whose full balances are not covered by energy assistance funding are eligible for \$500 of arrearage forgiveness under the Customer Assistance option.

Staff appreciates PGE's inclusion of a Customer Assistance option to provide an alternative to matching for those customers who are not able to contribute towards their arrearage balances. This is especially important as not all customers who are unable to pay will qualify for energy assistance programs.

Given that 10 percent of funds (~\$1.557 million) will be allocated for the Customer Assistance offering, this leaves approximately \$15.82 million available for PGE matching programs. Multiplying by two, one finds that PGE could cover approximately \$31.64 million through matching programs. When added to the \$1.557 million that is allocated to Customer Assistance, PGE is able to direct approximately \$33.215 million in arrearage management under its proposed Bill Assistance Program. Thus, matching assistance to payments allows PGE to assist a greater number of customers who have been affected by the pandemic.

Staff finds that PGE's proposed Bill Assistance Program provides a sufficient balance between reaching the greatest number of customers and the customers with the greatest need. Staff supports PGE's approach to encourage those who can contribute towards their arrears to do so, while providing options for those who are unable to do so. This aligns with Staff's goal to support not just those customers who are eligible for

energy assistance programs, but those who were acutely affected by the COVID-19 pandemic as well.

Prioritization of Funds

Due to the majority arrears falling in the 91+ days category, and the substantial increase in average residential customer arrears that has occurred as a result of the pandemic, Staff is acutely aware of the importance for prioritization of funding for customers with the greatest level of debt (and potential to become bad debt) and risk of disconnection.

As discussed below, throughout the review process, Staff identified concerns with the level of prioritization in PGE's proposed Bill Assistance Program, which have largely been remedied in the version of the tariff that was ultimately filed.

PGE's draft tariff included provisions for the offering of Customer Assistance funds to customers who are not presently in arrears. That is, as originally proposed, customers who were not currently behind on their electric bill could receive funds to prevent them from going into arrears. While Staff appreciates that arrearage prevention is important – and would have no concern with PGE or other utilities setting up a separate, shareholder or voluntary contribution fund to assist such customers – Staff believes that providing bill assistance to customers before they are past due does not align with the Stipulation approved in Order No. 20-401, nor does it provide for appropriate prioritization of funds. As there are currently more 91+ days arrears than available funding, Staff finds it inappropriate to prioritize spending on customers who are not currently in arrears at this time.

Another issue addressed in PGE's tariff mitigates a concern Staff had early on in the process. Staff and other stakeholders expressed concern over PGE's initial proposal, which noted that energy assistance payments would not be matched for customers who were enrolled in one of PGE's Bill Assistance Match Programs. Staff's concern was that particularly vulnerable customers would not have access to tools required to manage their arrears and avoid disconnection.

In response to stakeholder concerns related to providing additional funding to those who qualify for energy assistance, the Company modified its tariff to note that in the instance that a customer receives energy assistance but that assistance does not cover their full account balance, that customer is still then eligible for the Customer Assistance option under PGE's Program, which would provide up to \$500 of forgiveness without a matching payment. That customer would then still be eligible for \$500 of additional relief through a match program if needed.

Though Staff believes this proposal to be a reasonable compromise, Staff notes that it is open to exploring the possibility of providing greater levels of Customer Assistance to customers based on level of debt or other measures of need once disconnections begin, if such a change is found to be necessary. As noted above, at current, the Customer Assistance program will be capped at 10 percent of available funds. Though Staff believes the cap is appropriate at the onset of the program (at least two months prior to the resumption of disconnections), Staff does believe that it could become appropriate to either increasing the cap and/or increasing the maximum level of assistance to customers with greater need.

The development of these programs is both critical, urgent, and uncharted. Staff is amenable to quickly reacting to how these programs are being utilized by customers, and adjusting as fast as possible to ensure that funds are being allocated appropriately. To Staff's knowledge, this will be the first time that the utilities are operating a large scale bill assistance program (particularly one that is not-exclusively available to low income customers).

If approved by the Commission, PGE's Bill Assistance would be the first of six separate Bill Assistance Programs, as such, it is imperative that we be willing to adapt the programs as necessary. Staff recommends that the Commission require that PGE and interested stakeholders conduct a review of PGE's Bill Assistance Program no later than the time at which 50 percent of funds are committed/expended.

Staff believes this allows for a sufficient cushion (50 percent expenditure would mean approximately \$8.78 million of the authorized funds are still available for assistance), which allows PGE to implement its Program as soon as possible for those who are able to take advantage of the current Program offerings, while also providing for flexibility to adapt the program based on its level of success, and learnings from Oregon's five other regulated electric utilities design and implementation of their assistance programs.

Outreach, Marketing, and Communications

In large part, the success of PGE's proposed Bill Assistance Program will rely on the Company's ability to effectively promote and enroll eligible customers in the appropriate Bill Assistance Program offering.

Throughout the process, Staff and stakeholders have expressed strong interest in first reaching out to customers who have been most directly affected by the pandemic to ensure that there is enough funding for these customers. As such, PGE has agreed to begin rolling out all programs at the same time, but to begin by targeting customers who are the furthest past due. PGE will send the first round of communications to customers that are 91+ days past due, then move to customers who are 61+ days past due until communications have been sent out to all past due customers.

PGE also notes that it will provide communications to community-based organizations and other stakeholders during the initial 91+ days communication roll out and will work to partner with community-based organizations, including TriMet who stakeholders indicated has been successful in communicating with similar populations.¹²

Staff further notes that paragraph 3 of the stipulation approved in Order No. 20-401 requires that PGE notify customers with past due balances at least 30 days before issuing a 15-day notice of disconnection of: 1) the resumption of utility service disconnections and late fees, and 2) all flexible payment options that are available to avoid disconnects. PGE is responsible for providing that its notices are accessible to customers that are not English speakers based on languages relevant to PGE's customers. The notice must include information on TPAs, and must outline other programs that may provide financial assistance to the customers, such as LIHEAP, and the details of its program to identify bad debt on utility accounts, including how to enroll.¹³

Given the limited funds of the program, Staff strongly supports efforts to target outreach to those customers with the greatest debt. As evidenced by the trend in the proportion (and total) of arrears in the 91+ days category, there is a large group of customers that is struggling to make payments. Staff supports PGE committing to first contact customers who are 91+ days behind first, and plans to track how customers are utilizing available funds to ensure that the customers with the greatest need are able to access these funds.

Accordingly, Staff also supports PGE's plans to work with other community-based organizations and other stakeholders to provide information on its Bill Assistance Program to customers. Staff hopes that these partnerships will help PGE apply an equity lens in rolling out its Bill Assistance Program.

To that end, based on the broad stakeholder feedback discussed below, Staff recommends that Commission require PGE to host a workshop with interested stakeholders and community-based organizations to discuss how PGE can work with these groups to target program outreach and encourage participation among those groups who have been disproportionately affected by COVID-19 within 30 days of the effective date of Schedule 307. Staff believes that community-based organizations and other residential customer advocates who have direct, daily, interaction with vulnerable populations are best suited to help PGE conduct targeted outreach to ensure funds are appropriately prioritized.

¹² PGE response to Staff Information Request No. 7.

¹³ Order No. 20-401, Appendix A, page 12.

Stakeholder Feedback/Participation

As noted above, many different entities attended workshops and provided feedback to Staff and the Company, either directly or through their participation in larger workshops. Staff appreciates that stakeholders have been deeply involved throughout the COVID-19 investigation and Stipulation implementation process, participating in numerous workshops and providing meaningful feedback and recommendations. These stakeholders include (though are not limited to): Clackamas County Social Services, Community Action Partnership of Oregon (CAPO), Community Action Agency of Washington County, Community Energy Project (CEP), Multnomah County Office of Sustainability, Northwest Energy Coalition (NWECC), Oregon Citizens' Utility Board (CUB), and Small Business Utility Advocates (SBUA).

While no stakeholders have filed written comments at the time of this writing, Staff solicited feedback on PGE's proposal from several residential focused stakeholders. The message from these stakeholders was varied, but included the following general principles:

1. PGE should target outreach of program offerings to communities that have been disproportionately impacted by the COVID-19 pandemic;
2. PGE should provide comprehensive reporting on how funds are allocated, and to whom, so that a thorough evaluation of the success of these programs may be conducted;
3. There should be a greater emphasis on funds being available to customers who are unable to contribute towards their arrears through matching programs; and
4. PGE should match payments for those enrolled in its Extended Match program for the full length of the customer's TPA, up to 24 months.

Though Staff is not recommending changes to PGE's tariff, Staff is broadly in support of stakeholders' goals to provide assistance to those with the greatest level of debt and those communities that have been disproportionately impacted by COVID-19.

Staff will monitor and quickly react to how PGE's Program is being utilized by customers, and agrees that adjustments to the program should be made as fast as possible, if necessary, to ensure that funds are being allocated appropriately. To Staff's knowledge, this will be the first time that the utilities are operating a large scale bill assistance program (particularly one that is not-exclusively available to low income customers).

For example, on February 1, 2021, in a workshop resulting from the Stipulation approved in Order No. 20-401, all six IOUs presented filed or draft versions of their programs to participants. Among the proposals included options for "instant grants" for

customers who had received energy assistance payments within the last 24 months for up to \$1500/customer, which would be automatically applied to customer accounts, requiring no action from customers.

Though Staff has not had time to gather or review data on what a program of this type might look like for PGE, and is therefore not at this time recommending this modification to PGE's Bill Assistance Program, Staff understands that there may be strong stakeholder support for these types of programs and is open to exploring this type of program in the review of PGE's program.

Staff is not at this time recommending the cap be increased; however, once disconnections resume, if it becomes apparent that customers are not able to utilize the matching programs, and there is a need to increase the amount that goes toward the Customer Assistance option, Staff would be willing to consider raising that amount as appropriate.

Similarly, if PGE and stakeholders are interested in considering a sliding scale to allow low-income eligible customers a greater level of assistance, Staff would not be opposed to such consideration. However, Staff believes that increasing this cap should wait until disconnections begin to reasonably ensure that large portions of the available funds are not distributed before the moratorium on disconnections is lifted.

Though Staff is also not recommending that the Commission require PGE to modify its Extended Payment program as a condition for approval, Staff understands that stakeholders worked hard to implement 24-month TPA's during the UM 2114 process, and agrees that allowing customers to lower their monthly payment, by only paying half of the agreed to monthly TPA payment, would benefit some customers, and is open to exploring this option in the review process.

In order to conduct such a review, it is imperative that PGE work with stakeholders to collect and report relevant and necessary data on how program funds are allocated, and to whom. As noted above, Staff is recommending that PGE host a workshop with interested stakeholders to discuss how best to partner with community and residential customer focused organizations to target its Program outreach efforts to those groups or communities that have been disproportionately affected by the pandemic. In such a workshop, Staff expects that stakeholders and the Company will also determine what data collection and reporting on such efforts is necessary to effectively evaluate the success of these programs. Example data metrics may include zip code and voluntary demographic data.

Effects of Filing

PGE's Advice No. 21-01 requests approval to create a new tariff schedule, Schedule 307, Residential Bill Assistance Program. In accordance with the Stipulation approved in Commission Order No. 20-401, Schedule 307 will be available to all residential customers who develop arrears of more than 31+ days.

It is unknown how many customers will utilize PGE's Bill Assistance Program; however, the Program will provide up to \$17.557 million in arrearage forgiveness to eligible customers, and will run through December 31, 2022, until the Company reaches the spending limit, or until the Commission closes the program.

This filing does not lead to an increase or decrease in customer rates, or change PGE's revenue at this time; however, as noted above, program funds and prudently incurred incremental expenses to provide this Bill Assistance Program will be tracked for later recovery in PGE's COVID-19 Deferral.

Staff has reviewed PGE's proposed Bill Assistance Program as filed in Advice No. 21-01, and finds the proposal is consistent with Commission Orders. Staff further finds that the proposed Schedule 307 will benefit those customers who have experienced increased financial hardship due to the COVID-19 pandemic.

Conclusion

Based on the circumstances outlined above, and Staff's review of the Company's filing, Staff concludes that PGE's request to create Schedule 307, Residential Bill Assistance Program, is in compliance with the Stipulation approved in Order No. 20-401.

Staff further concludes that the requested changes will result in rates that are fair, just, and reasonable, and recommends that the Commission approve the Company's tariff as proposed in Advice No. 21-01. As disconnections are currently authorized to resume April 1, 2021, Staff finds there is good cause to approve this tariff filing on LSN, subject to the aforementioned conditions. The Company has reviewed this report and has no objection.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 21-01, which creates Schedule 307, Residential Bill Assistance Program, effective with service rendered on and after February 15, 2021, on LSN, and direct PGE to do the following:

1. Conduct a review with interested stakeholders of the implementation of PGE's Bill Assistance Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed; and
2. Host a workshop with interested stakeholders on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic within 30 days of the Schedule 307 effective date.

February 1, 2021

TO: Sabrinna Soldavini
Public Utility Commission of Oregon

FROM: Robert Macfarlane
Manager, Pricing and Tariffs

**PORTLAND GENERAL ELECTRIC
ADV 1233 / Advice No. 21-01
PGE Response to OPUC Information Request No. 007
Dated January 26, 2021**

Request:

Please explain how PGE plans to market and/or offer each of its bill assistance programs to customers.

Response:

PGE will have a variety of communication methods in order to promote PGE's Bill Assistance Program. We will use direct mail and emails to offer the program to eligible customers based on their preference. We will also use digital ads, postcards, and door hangers to promote the program. We will continue our outbound call campaign for high balance accounts and begin offering the Bill Assistance Program once it is approved.

PGE plans to closely partner with Community Based Organizations and external advocacy groups to target Black, Indigenous, People of Color (BIPOC) communities and vulnerable customers in order to ensure we are reaching customers in the way that works best for them.

All communications will be in English and Spanish at a minimum. We are also meeting with TriMet to learn from them as we have received feedback that TriMet has done a nice job on communications with certain populations.

February 1, 2021

TO: Sabrinna Soldavini
Public Utility Commission of Oregon

FROM: Robert Macfarlane
Manager, Pricing and Tariffs

**PORTLAND GENERAL ELECTRIC
ADV 1233 / Advice No. 21-01
PGE Response to OPUC Information Request No. 011
Dated January 26, 2021**

Request:

Please estimate the amount that PGE expects to spend on each of its five proposed bill assistance options, for each month in 2021. Please provide this analysis in Excel spreadsheet format, and provide any underlying data or assumptions and their sources. This analysis should show per customer cost of each of the seven bill assistance options.

Response:

PGE has never offered a bill assistance program of this magnitude before so does not have data to compare in order to predict customer enrollment and customer payments. From past experience, it appears that some customers do not make a payment until there is a threat of disconnection, so the timing of when residential disconnections resume is another factor in determining when customers will enroll in these programs and begin making payments.

If PGE were to predict a 50% participation rate from eligible customers, the following percentage would be provided to each program

50/50 Plan: 10%
Payment Match: 20%
Extended Match Program: 45%
Customer Assistance: 10% (maximum amount included in tariff)
Reconnect Assistance: 15% (remaining funding available)

As this is such a unique and large program, PGE may want to create additional programs or make program adjustments, upon Commission approval, based on what programs are proving to be most successful and to address needs not covered in existing programs. PGE will track enrollment and spending of each program on a weekly basis.